

20/11/96

Wednesday July 17 1996

Abu Dhabi	Q 650	Algeria	D 150	Andorra	PF 10	Austria	S 35	Bahrain	BD 10	Belgium	B 30	Benin	C 100	Botswana	P 10	Canada	C 70	Czech Republic	KC 45	Denmark	DK 15	Dubai	U 50	Egypt	E 65	Finland	F 30	France	FF 10	Germany	DM 12	Greece	G 50	Hong Kong	HK 50	Hungary	H 100	India	IN 55	Indonesia	RI 50	Iran	IR 50	Italy	I 300	Japan	JP 25	Korea	KW 150	Kuwait	K 50	Latvia	L 50	Lithuania	L 200	Malaysia	M 50	Maldives	M 50	Morocco	MA 50	Netherlands	G 40	Norway	NK 15	Oman	OR 150	Pakistan	P 10	Poland	P 100	Portugal	E 200	Romania	R 100	Russia	R 100	Saudi Arabia	S 50	Slovakia	SK 50	Slovenia	SI 200	Spain	P 100	Sweden	S 50	Switzerland	CHF 50	Taiwan	T 100	Thailand	TH 50	Turkey	TL 100	USA	US 50	Zimbabwe	Z 100
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The Guardian

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NEWSPAPER OF THE YEAR 46,607

The rise of the science superstars

Masters of the universe

G2 with European weather

Cash, comedy and conflict in the hit TV series

When Friends fall out

G2 page

Society

The cost of caring

G2 pages 10/11

Tories to sell Royal Mail

5p cut in letter post to be offered in manifesto

David Hencke Westminster Correspondent

THE blueprint for a scheme to break up the Royal Mail into 11 franchises — each to be tendered to private firms — is being planned by ministers for inclusion in the Conservative party election manifesto.

The plans to revive the controversial privatisation of the Post Office will be sent to Downing Street by a team of ministers under Ian Lang, the President of the Board of Trade, and could cut five pence from the cost of posting a letter.

The proposals will also include selling off ParcelForce, the Post Office's carrier, to a private company and an acceleration of the leasing of the remaining Crown Post Offices to private owners. Post Office Counters Ltd, which has overall responsibility for sub and

main post offices, will remain in the public sector.

The privatisation of the Post Office, which makes a profit of £20 million a year, is likely to raise more than £1 billion.

A new regulator, the director of Ofpost, will be created to supervise the privatised Royal Mail, joining colleagues responsible for rail, gas, water, electricity, telephones and the National Lottery.

The most dramatic impact for the public will be a plan to replace the present national 30p first class and 20p second class with a new maximum charge set by the regulator for national mail. Competing companies will offer lower rates inside their regional franchises and lower national rates.

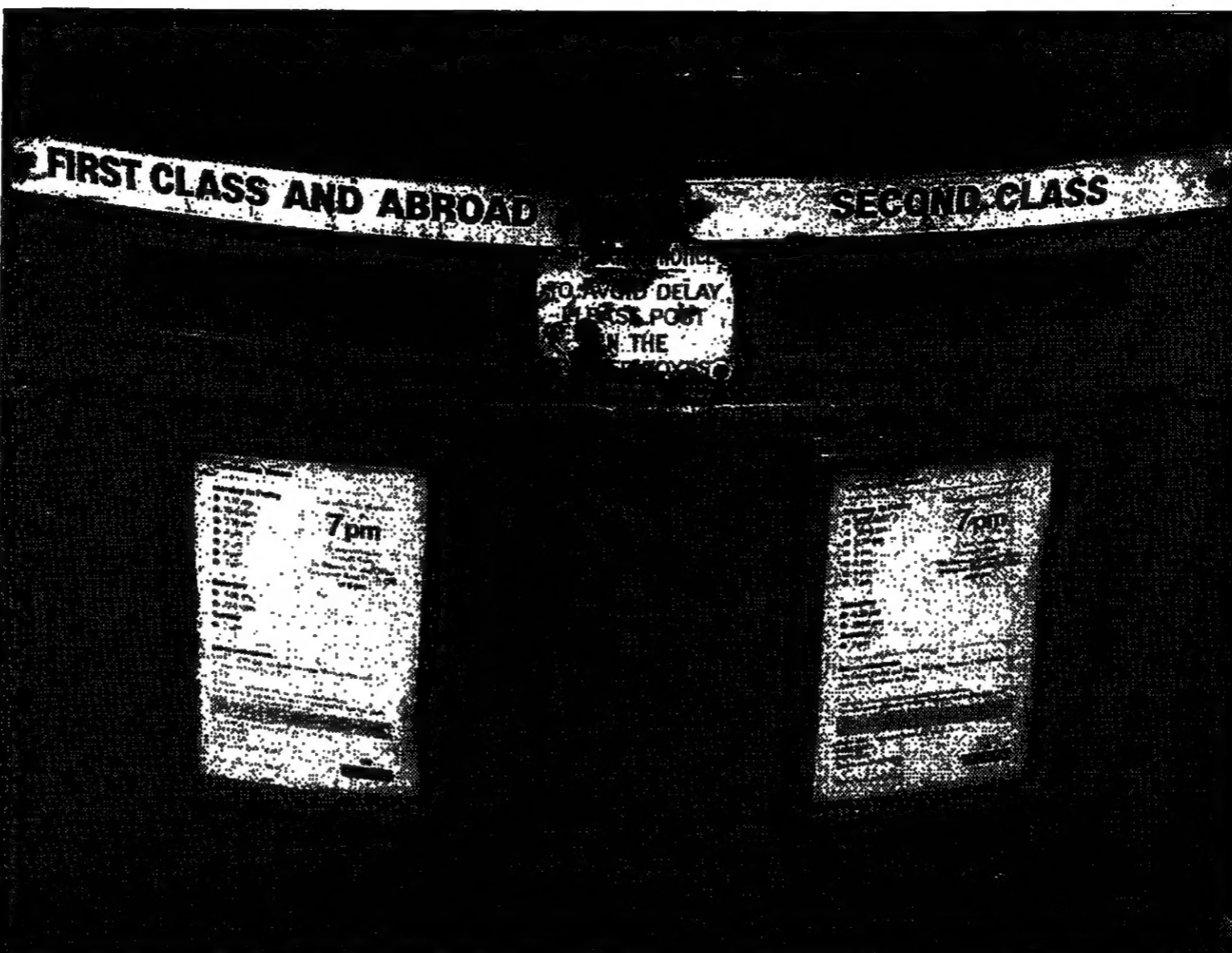
The plan is based on what ministers regard as the successful privatisation of British Rail — with the aim of encouraging different private companies to bid for 15-year franchises to run Royal Mail regions.

Contracts will also be let to provide the trunking arrangements between the 11 franchises to keep the national delivery service in place.

The 11 regions are Scotland, Northern Ireland, Wales, London, North East, North West, Midlands, Anglia, the South East, the South West and South Central (covering West Sussex, Hampshire, Dorset, Berkshire and Surrey).

Ministers believe the break-up will introduce millions of pounds of productivity savings and cut postal charges. The biggest reduction could be in London, where postal charges within the capital could drop by more than 5p.

Ministers were emphasising yesterday that the full details of the scheme are still being discussed. But the big-



Part of a national system of post... under Tory plans, each region would be run separately by different private companies

Post Office divisions

Royal Mail	161,000 staff
Large delivery which has monopoly on all letters	£411m
ParcelForce	£200m
Post Office Counters	13,000 staff, 18,000 outlets
Pre-tax profits	£250m
95/96	£250m
94/95	£200m
ParcelForce	12,000 staff
Pre-tax losses	£21m
95/96	£21m
94/95	£20m

Post Office Counters

Pre-tax profits	£250m
95/96	£250m
94/95	£200m
ParcelForce	12,000 staff
Pre-tax losses	£21m
95/96	£21m
94/95	£20m

Treasury looks to next century

THE Chancellor, Kenneth Clarke, is being urged to consider "doomsday" options for improving Britain's economy into the next century, including the virtual privatisation of pensions, unemployment benefit and other aspects of the welfare state, according to a leaked Treasury options paper, writes Michael White.

However, Treasury officials said the internal document had not yet been seen or authorised by ministers and had merely been read — not endorsed — by the department's senior management.

Postman's dead letter day

Postmen's dead letter day, page 12

Removing the English-language service from Bush House

Removing the English-language service from Bush House literally tears out its editorial and broadcasting core. Denis Healey page 9

With the World Service, you are dealing with intangibles like soul

With the World Service, you are dealing with intangibles like soul — things that you can't really put down into your accounts. John Peel page 9

I wept the first time I heard the signature tune and the words 'This is the World Service'

I wept the first time I heard the signature tune and the words "This is the World Service". It gave me and my fellow hostages a real reason for keeping going. John McCarthy page 5

Save the World Service



The BBC's take-over of its World Service offshoot is an act of cultural vandalism which should be rescinded forthwith. By what impulse of self-destruction do otherwise sensible people suddenly turn on an icon of proven success in response to this year's flavoursome management theory? Guardian leader page 8

Removing the English-language service from Bush House literally tears out its editorial and broadcasting core. Denis Healey page 9

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The shock of Yeltsin in the flesh

Laurence McQuillan is an American journalist who witnessed the meeting between US vice president Al Gore and the Russian leader yesterday. His shock at Mr Yeltsin's appearance confirms the new doubts about his health



A smiling Yeltsin greets Gore in the Barvikha sanatorium

THE difference in President Yeltsin's appearance is striking: the man I saw in April was full of vigour; the man I saw yesterday had a hard time walking.

As one of two American journalists who accompanied Al Gore, the vice president, on his trip to Russia, I was allowed inside the cream-coloured government sanatorium where Kremlin officials announced on Monday that Mr Yeltsin had decided to take a "holiday" for two weeks.

After eventually being permitted by security forces to join a small group of Russian journalists, I was taken to the third floor of what a Russian official said was "like your health spa".

The facility, where many staff wore white uniforms, had the combined feel of an office complex and a hospital.

After waiting several minutes we were ushered into the office where photographs were to be taken. Mr Yeltsin

was standing alone — like a soldier standing at attention, arms glued to his sides.

With his white hair combed immaculately, the 65-year-old Russian leader stared straight ahead, not acknowledging our presence.

After several minutes of doing nothing, he suddenly seemed to realise that Mr Gore's arrival was not imminent. Slowly, he turned and started shifting gingerly across the room, going about 10 feet, turning and retracing his steps, his eyes fixed on the floor. He was clearly concentrating intently on walking.

The scene was shocking for someone who had seen him at the Kremlin in April during a visit by President Clinton. Then, he was full of vigour, confidently joking and showing no sign of physical limitation.

Now, his face was pale and he clearly had lost a considerable amount of weight.

Mr Gore finally arrived and rushed across the room to

Rothschild's 'lost family's fortune'

Dan Atkinson, Chris Barrie, and Martin Hatala

THE Rothschild banking dynasty faces legal action over allegations of "serious mismanagement" of a multi-million pound family fortune. The claim relates to Rothschild's worldwide asset management business, which has been performing badly in recent years.

A wealthy Midlands family is alleging professional incompetence on the part of Rothschild's Swiss operation. It claims that a £3.5 million trust set up in January 1990 had lost all but £60,000 within 20 months.

The Smyth family, of Leamington Hastings, Warwickshire, set up the trust as a routine tax-avoidance exercise connected with the sale of its Autocoin computer business at the end of the 1980s. Responsibility for the trust's management rested with three trustees, two employees of Rothschild's in Zurich, and a Rothschild company.

Most of the money had been lost after what the Smyths claim was a "string of dubious investments which proved irrecoverable". These included a Spanish land development. It is not thought such specu-

Tibet OCCUPIED SINCE 1950

Tibet's exiled leader, the Dalai Lama, is in Britain this week. Please support his efforts to gain justice and support for his people.

In 1950 the Chinese illegally invaded Tibet. 46 years later China still occupies Tibet, in defiance of international law, UN resolutions and the wishes of the Tibetan people. Despite this, and its unique historical links with Tibet, Britain does not recognise Tibet as an independent country. Only public support will persuade our Government to act before all hope for the Tibetan people is lost.

THE FACTS

- Over 10 million Tibetans have fled their homes.
- 120,000 Tibetans have died since 1950.
- 3.5 million Tibetans are still in China, but they are not free.
- China has never allowed any independent investigation into the 1950 invasion.
- China has never allowed any independent investigation into the 1950 invasion.

HOW YOU CAN SUPPORT TIBET

Join the Tibet Society, the Dalai Lama's co-hosts to the UK this week. Annual membership costs £15 and includes an informative quarterly magazine and involvement in activities that can help you support Tibet and the Tibetan people.

Make a donation to support Tibetan people. The Tibet Relief Fund provides educational, medical and cultural support to Tibetan exiles in India and Nepal, and Tibetan people within Tibet. £16 buys education or medical care for a refugee for one month. Your support is vital.

I wish to join the Tibet Society for one year at £15

I wish to make a donation to the Tibet Relief Fund £75 £50 £25 £16 Other £

I enclose a cheque for £ (to Tibet Relief Fund), or

Please charge my credit card £ Exp date

Card Number

Signature

Name

Address

Postcode

Please return your completed form today to: Tibet Relief Fund, FREEPOST 20 LON8454, London W1E 9AP (No stamp required, but if you use one, more of your money will support Tibetans) Registered Charity, number 228335

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Princess Diana resigned as patron

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resigned as patron

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2 NEWS

Sketch

Question time as safe as houses



Simon Hoggart

MR HARRY BARNES (Lab, Derbyshire NE) raised a point of order...

Heavens! MPs were horrified. Agitated Stupified! There was reeling and writhing...

for preferment in the last reshuffle before the election. The debate on the sale of service accommodation followed...

Later Mr Portillo offered three minor concessions. The rebel Nicholas Winterton (C, Macclesfield) was first out of the trenches to change his mind...



Duncan Smyth at his Warwickshire home, which he said was threatened by Rothschild's 'serious mismanagement'

PHOTOGRAPH: PAUL ROGERS

Rothschild's faces 'lost millions' action

continued from page 1 had never been a trustee and was not responsible for voting any investment ideas...

It had hastened the end of his marriage, and his younger son David, now 17, had been "traumatised" by the threatened eviction.

A spokesman for NM Rothschild declined to comment on the bank's Swiss operations. A complaint from the Smyths to the Bank of England was passed on in January...

The Rothschild City operation made clear yesterday that it has no direct connection with the Swiss fund manager, Rothschild Trust (Schweiz) AG...

Earlier, Mr Spring accused the Ulster Unionist leader, David Trimble, of being "totally inconsistent" after it was revealed that he had met a leading loyalist and former Ulster Volunteer Force prisoner during last week's stand-off at Drumcree.

First night

Swooping script of painful free fall

Lyn Gardner

Lyric Studio, Hammeramith

THERE is an extraordinary scene in Naomi Wallace's adaptation of William Wharton's novel. Sergeant Al sucks up some porridge, cups his lips over the open, greedy chick-like mouth of his boyhood friend Birdy...

tests for flight. "It was like being alive," he says. He spends the rest of his boyhood trying to recreate this exhilarating feeling with the aid of a bicycle and a homemade pair of wings.

Botham caught in slips as sex, drugs and cricket merge

Matthew Engel at the great libel test

THE second day of the Great Cricketing Libel Case continued before Mr Justice French yesterday in the jam-packed hall...

and later allegation that he slept and took cocaine with a Miss Barados. Botham, one of the two greatest all-rounders of the 1980s, is suing the other, Imran Khan, for libel over an article in the Sun calling him a cheat...



Imran Khan, defending libel allegations, and his wife Jemima leaving the High Court

Mr Carman also accused Botham of making what he called "a disgracefully offensive" remark in a 1984 radio interview, after he came home from Pakistan, by saying it was the sort of country he would like to send his mother-in-law for a month, all expenses paid.

thorough going-over with his glove". Botham said this was to dry the ball, which would have grown moist while being stored in a plastic bag in the umpire's pocket.

Labour hits out at Central Office 'fears and smears'

Michael White Political Editor

A JITTERY Labour Party last night launched a ferocious attack on the Conservative election strategy in the wake of new evidence that the Central Office will be spending a record £10 million on an American-style negative campaign of "fears and smears".

After the Conservative chairman, Dr Brian Mawhinney, launched a poster bearing the slogan "Labour's Union Jack" over a white flag with the message "New Labour. No Britain"...

'MacBirt' wins high-profile prize as head of Radio Four

Andrew Cuff

JAMES Boyle, the head of Radio Scotland, was yesterday appointed controller of Radio Four, one of the highest-profile jobs in broadcasting.

Michael Green and see my task as one of defending and developing Radio Four," he said. Mr Boyle, currently on secondment as the BBC's chief adviser of editorial policy...

Mr Boyle, currently on secondment as the BBC's chief adviser of editorial policy, acquired the passion inspired by the network. Listeners' campaigns have saved Radio Four's long-wave frequency and helped ditch Anderson Country.



James Boyle... popular staff motivator

Paras pull out of Ulster

David Sharrock Ireland Correspondent

A BATTALION of the Parachute Regiment sent to Northern Ireland in the face of the province's worst security crisis in years will return to Aldershot today.

But there was little sign yesterday that the political situation was easing. The Northern Ireland Secretary, Sir Patrick Mayhew, and the Irish foreign minister, Dick Spring, had a tense meeting in Belfast...

American Express annual travel insurance. Because you never know who you'll meet on holiday. No matter who you bump into on holiday, you can rest assured our comprehensive annual travel insurance covers almost every eventuality...

Char Syrian In his Mour told a "So, lovinn

Princess withdraws support from 100 good causes, but remains patron of six — largely metropolitan — groups

Charity begins at home as Diana cuts back

David Brindle, Social Services Correspondent

ABOUT 100 charities were yesterday dealt a blow bigger than anything the competition of the National Lottery has thrown at them when the Princess of Wales resigned as their patron.

Brian Roberts-Wray, chairman of the Institute of Charity Fundraising Managers, said: "The potential positive effect for the half-dozen that she is staying with is probably substantially greater than the potential negative effect for the 100 she is giving up."

The six charities which she is to continue are: the London homelessness charity Centrepoint; English National Ballet; The Leprosy Mission; the National Aids Trust; and Great Ormond Street children's hospital and the Royal Marsden cancer hospital, both in London.

'As I seek to reorganise my life, it will not be possible for me to provide you with the level of commitment that I believe you deserve'

Princess Diana



building the first children's hospices in South Wales. Last night it wrote to Princess Diana, pleading with her to reconsider. Dominic Jenkins, its chief executive, said: "The princess only became our pat-

ron a year ago, but ever since our donations have increased dramatically."

Royal works

Top Patrons*	Number of Charities
The Queen.....	215
Prince of Wales.....	160
Queen Mother.....	150
Duke of Edinburgh.....	140
Princess of Wales.....	115 (now 6)
Princess Royal.....	105
Duke of York.....	30
Duchess of York.....	25
Prince Edward.....	20

* Patron or president, 1994. Source: Charities Aid Foundation

was writing to her about some work which we thought she might do for us later in the year."

room at Kensington Palace to meet youngsters with learning disabilities or mental handicap.

Syrian gives Oxford a £20m college

New business school to attract world's 'best and brightest'

Donald MacLeod, Education Correspondent

OXFORD University yesterday accepted its largest donation for more than half a century — £20 million for a business school — from a Syrian-born businessman.

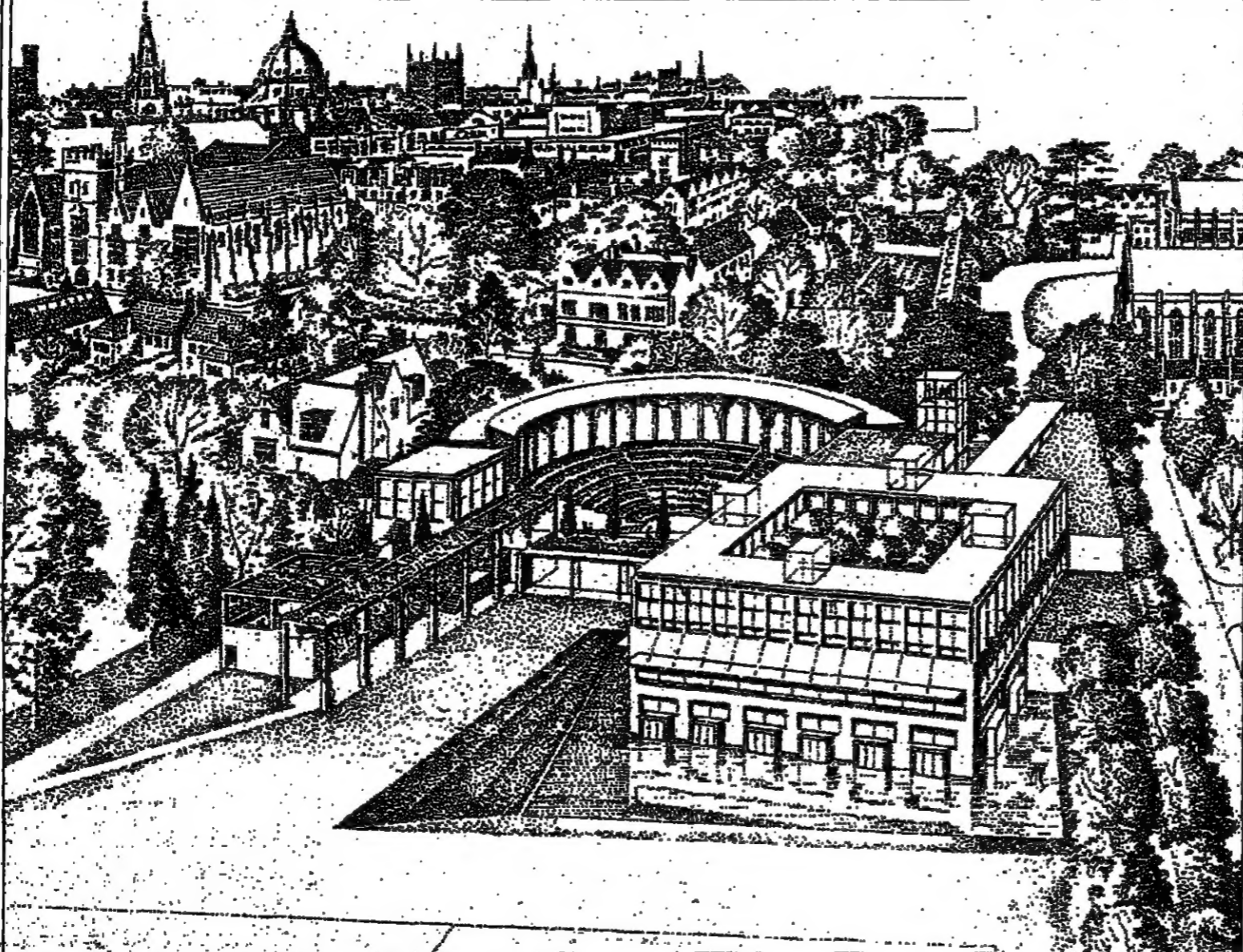
Wafic Rida Said, an admirer of Lady Thatcher and friend of the former minister Jonathan Aitken, would be immortalised by Oxford alongside other generous benefactors, said Lord Jenkins of Hillhead, the university's chancellor.

The gift is the largest since Lord Nuffield gave £3 million in 1936. His father had donated £77 million at today's prices to promote medical science.

The new Oxford Business School will attract the "brightest and best" students and staff, offering a growth in business leaders from all over the world, said Mr Said, who will take a keen interest in the building planned for the centre of Oxford. It will be the latest in a list of construction projects that have made his name and fortune, notably in Saudi Arabia.

Mr Said admitted that he had never been to business school himself but the Oxford project was the culmination of an ambition. His father had founded Syria's first university in Damascus. "I come from a family and a culture that believes in education. I have spent many years in Britain and I admire this country. Management education plays a vital part in making a country competitive. This is a great opportunity for Oxford to spread its standards of excellence to this new sphere."

His gift will enable the university to catch up with Cambridge in having a business school to take on international competition like Chicago and Stanford.



Artist's impression of the proposed Oxford Business School, which will immortalise university's benefactor for biggest donation in more than 50 years

Profile

Shy friend of Britain who lobbied for huge contracts

Goran Sovocot

WAFAIC Said, a close business confidant of the Saudi Royal family, is a media-shy financier and construction magnate whose influence has been pivotal in sweetening relations between Britain and the Middle East.



Wafic Said and Lord Jenkins at the announcement yesterday. PHOTOGRAPH: DAVEN HENNING

Prince Sultan, a future minister of defence for Saudi Arabia.

His career in banking began in Geneva, but he returned to London in 1967 to run several kebab restaurants in Kensington regularly patronised by Arab dignitaries.

After a few years he sold up and moved to the Middle East where he made contacts and links with another Syrian-born financier, Akram Ojeh, increased his progress. He was awarded numerous construction con-

Nato threatens to use force in Karadzic arrest

Ian Black, Diplomatic Editor

NATO forces will retaliate against Bosnian Serbs if they try to stop any attempt to arrest Radovan Karadzic, the United States special envoy, Richard Holbrooke, warned yesterday as he raced against the clock to keep the Dayton peace process on track.

He was speaking in Sarajevo, en route for the Serbian capital Belgrade and a desperate attempt to persuade President Slobodan Milosevic to unseat Mr Karadzic, his former Bosnian protégé. He made clear that threats against United Nations police or the Nato-led force (I-For) in Bosnia were being taken seriously.

"If they take any action against I-For, they'll be met with swift military action," he said.

Mr Holbrooke has been summoned back from his job as a Wall Street investment banker by a Washington administration anxious to avoid a Balkan collapse, especially as the US presidential election nears.

In the past few days, Serb authorities have threatened to hold UN police officers hostage if an attempt is made to arrest Mr Karadzic or the Bosnian Serb military commander, General Ratko Mladic, both indicted by the war crimes tribunal in The Hague.

Mr Holbrooke's mission has become highly urgent because campaigning cannot begin until Mr Karadzic has been deposed as leader of the Serb Democratic Party (SDS). President Alija Izetbegovic of Bosnia yesterday warned that the Bosnian Muslims may boycott the elections if indicted Serb war criminals are allowed to take part.

Mr Milosevic has resisted pressure to resign as SDS president. The Dayton peace accord bars suspects sought by the war crimes tribunal from public office.

Mr Milosevic is unlikely to surrender Mr Karadzic: he fears a backlash by nationalists and damaging testimony by Mr Karadzic about his own role in the Bosnian war.

Western diplomatic activity has also been galvanised by a desire to avoid a new row over a change to I-For's mandate or imposing economic sanctions on Serbia and the Bosnian Serbs.

HARRODS SALE

THE LAST 4 DAYS.

This is the last week of the Harrods Sale and throughout the store you will find huge reductions on some of the world's finest merchandise.

For example:	Harrods Usual Price	SALE PRICE	FURTHER REDUCED PRICE
Harrods men's suits	£295	£195	£179
Contemporary Collection suits	£399	£199	£99
Harrods cotton shirts	£49	£33	£25
Eton cotton shirts	£49	£33	£25
Stephens Brothers casual shirts	£49.95	£34.95	£29.95
Harrods casual shirts	£59	£42.95	£29.95

All available from Menswear, Ground Floor.
Personal shoppers only. Subject to availability.

SALE OPENING HOURS:
Today, Tomorrow and Friday 19th, 10am to 7pm.
Last day Saturday 20th July, 9am to 7pm.

Harrods Ltd., Knightsbridge, London SW1X 7NL. Telephone 0171-730 1234.

In his memoirs Jim Prior describes a party at Ted Heath's flat with Moura Lympany invited to perform. As the evening wore on, Lympany told a guest she wanted to play soon as she had another engagement. "So," Prior writes, "I had a word with Ted." How did the charming, fun-loving, music-making host react? "Tell her she can't play," he growled.

Francis Wheen, G2 page 5

Paras pull out of Ulster
A
on
Express
YOU MUST
I must be
10737

4 BRITAIN

Shooting organisations appeal for cash to counter campaign to ban weapons launched by massacre victims' families

Gun groups to set up fighting fund

Alan Travis Home Affairs Editor
SHOOTING organisations have launched a £25 a head appeal to finance a campaign to prevent a ban on handguns in the wake of the Dunblane massacre...

and her teacher, for all our sakes, please no more guns and no more worship of guns.
MPs from all parties, including the shadow home secretary, Jack Straw, backed the launch of the Gun Control Network...

said the Dunblane shootings had been a horrific reminder that despite politicians' promises only limited action had been taken.
The Gun Control Network aims to secure a ban on handguns for all except the police and military, target shooting weapons to be restricted to single shot 0.23 calibre and kept at gun clubs...



Mick North, father of Dunblane victim Sophie, at the Gun Control Network launch: 'For all our sakes, please no more guns' PHOTOGRAPH: MARTIN SODDIN

BBC staff anger at 'fat cat' director general's £35,000 pay rise

Andrew Culf Media Correspondent
THE BBC's chairman, Sir Christopher Bland, yesterday defended the corporation against accusations of executive pay greed after it was revealed that the director general, John Birt, received a 18 per cent salary increase...

Media salaries
Michael Green, Carlton communications: £663,000
Peter Job, Reuters: £650,000
Michael Grade, Channel Four: £618,000
Lord Holford, United News and Media: £589,000
Frank Barlow, Pearson: £507,000
David Montgomery, Mirror Group: £473,000
Tim Holley, Camelot: £385,000
John Birt, BBC: £329,000 (total pay packages, including pension contributions)

cent of staff also received bonuses on top of their annual awards.
Mr Birt received pension contributions of £20,000 in addition to his salary, but Michael Grade, chief executive of Channel 4, received a total salary package of £618,000 last year.

by ensuring others have no jobs or see their pay cut.
'Our members have just tightened their belts again and accepted a 2.6 per cent pay increase.'
Yesterday, Mr Birt said BBC staff faced five more years of efficiency savings as he praised them for the most dazzling programme achievements in the corporation's history...

aware, and replete with self-confident and dynamic management teams, set out various challenges for 1996/97.
They included maintaining the impartiality and independence of the corporation in a general election year, and laying particular emphasis on meeting public expectations on taste and decency.

Highlights
JOHN Birt gave his personal assessment of the BBC's programme highlights for 1995/96 in the annual report:
Television
Factual: Death of Yugoslavia was the factual programme of the year, while The House provided an everyday story of obsession in the workplace.
Comedy: Men Behaving Badly showed situation comedy can have real contemporary force.



Sitcom success... Men Behaving Badly, starring Caroline Quentin and Martin Clunes, was singled out for praise

legacy of Smashie and Niccy, attracting 50 per cent of 15 to 24-year-olds; brought well-deserved recognition to Matthew Bannister for his boldness and good judgment and fortitude.
Radio 2: Wider range of music than any of its competitors, with folk, R & B, light classics and gospel.
Radio 3: Richest ever programme of live music.
Radio 4: A fresher feel to drama, pioneering comedy and 50th anniversaries of Woman's Hour, From Our Own Correspondent and Letter from America.
Radio 5 Live: Demonstrated self-confidence and blossomed to reach 5 million listeners.

Notice to Customers

FIRST OPTION BONDS
On and from 17 July 1996, the first year fixed rate on FIRST Option Bonds will be 6.0% gross (4.8% net assuming tax at 20%). Bonds of £20,000 or more held to the first anniversary will earn a bonus of 0.25% gross (0.2% net).

INVESTMENT ACCOUNT
On and from 1 August 1996 the variable gross rates of interest on deposits in an Investment Account will be as follows:

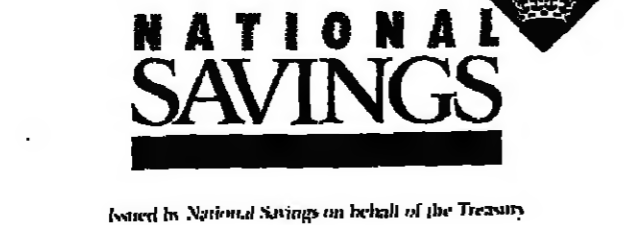
Table with 2 columns: Balance in account, Rate of interest. Rows: under £500 (4.75% pa), £500 to £24,999 (5.25% pa), £25,000 and over (5.5% pa)

INCOME BONDS
On and from 29 August 1996 the variable ('Treasury') rate of interest payable on Income Bonds will be 6.0% pa gross. The Bonus on holdings of £25,000 or more remains at 0.25% pa gross. The gross rates from 29 August will therefore be as follows:

Table with 2 columns: Holding, Rate of Interest. Rows: under £25,000 (6.0% pa), £25,000 and over (6.25% pa)

ORDINARY ACCOUNT
On and from 1 August 1996 the variable rates of interest on deposits in an Ordinary Account will be as follows:

Table with 2 columns: Standard rate, Higher rate. Rows: Standard rate (1.5% pa), Higher rate (2.5% pa)



Issued by National Savings on behalf of the Treasury

Spirit-beer mix 'a great danger'

James Melkie
AFTER lime wedges in bottles of foreign lager, exotically-packaged premium beers, all-in-one gin-tonics, alcopops - soft drinks laced with alcohol - and more adult-oriented spirit mixers, it is now time for 'spirit beers' to cash in on the trend.
They are aimed at 18 to 25-year-olds who already favour a quick vodka or bourbon before and after the bottled lager 'main course', despite the fact that beer and chasers were once the badge of older, hardened drinkers.

monitored trials of Arjangel vodka beer and Kentucky Black bourbon beer, doctors and others campaigning against alcohol misuse said that the growing trend for mixer drinking could cause problems.
Vivienne Nathanson, head of policy at the British Medical Association, said: 'The more you confuse things, the more difficult it is for people to work out how much is a unit. How much can I drink? and even more important: How much can I drink if I am going to drive?'
The whole message in alcohol control is to give people information so they can manage drinking, knowing ways

to avoid hurt to themselves and to others.
'It is making spiking of drinks respectable. Lots of kids do it for a joke at parties but there is a great danger. You don't know how much you are drinking and can lose control of yourself.'
The new brands, brewed as lagers with spirits blended before bottling, have taken two years to develop and have a strength of 5.3 per cent alcohol by volume. The vodka mix is in a silver film-wrapped bottle, the bourbon in a gold-wrapped one, so it is difficult to see how much one has drunk. They cost between £2 and £2.50 a bottle.
Sophie Spence, marketing manager for new product development at Whitbread, said: 'The spirit is there to add to the flavour and provide the well-known 'spirit burn' on the back of the throat sensation.'
'A lot of the 18-25 category drink bottled lagers but people top and tail sessions with a spirit. These drinks are not meant to be in any way irresponsible.'
Alcohol Concern said it was difficult to see how such drinks encouraged a responsible approach to alcohol. 'There is a danger of tipping into teenager experimentation when you go through your parents' drinks cabinet, pouring everything into one glass and knocking it back.'

Judge rejects Domesday villages' plea on Stansted homes

James Melkie Community Affairs Editor
DOMESDAY Book villages could triple in size by housing workers from Britain's fastest growing airport after they failed in a High Court battle yesterday to save their 'quintessentially English' way of life.
The parish councils of Felsted, Takeley, Little Dunmow and Birchanger in Essex - mentioned in the 1086 surveys by William the Conqueror's officials - said they were sidelined by plans to build about 2,000 homes to help cater for the expansion of Stansted airport.
But a judge refused their plea to quash the plans so that there could be a second public inquiry into the issue.
Andrew Warren, a parish councillor and chairman of the Felsted and Little Dunmow Conservation Association, which also fought the case, said: 'The four parishes appear in the Domesday Book and this will effectively mean doom for each of them.'
A joint statement by the four parishes said the villages would be 'damaged irreparably by the kind of vandalism of rural areas which is caus-

ing concern all over the country.'
The airport-related scheme was proposed six years ago when Uttlesford district council drew up a plan for the area taking into account the likely growth in Stansted.
It wanted to put all its share of the new housing on an old airfield at Little Easton, closer to Stansted, but a 1993 public inquiry instead dispersed new homes on four sites as suggested in an earlier consultation document.
About 650 homes were planned between Little Dunmow and Felsted, 835 at Takeley and 400 at Birchanger. The siting of another 625 at Great Dunmow was not contested.
The parishes complained that the people most affected by the change never had a chance to complain against what they saw as a 'swamping' of their communities.
Rejecting their challenge, Judge George Bartlett said the residents felt 'they have been accorded less than equitable treatment, and I can understand their feelings'.
Local representatives were 'forced to sit on the sidelines as mere observers of the contest that was to decide the future of their area'.

But it was 'wholly improbable', against the background of a valid inspector's report on an extensive and valid earlier inquiry, that the inspec-

tor at a future inquiry would recommend against the four-site strategy in the absence of 'compelling new material' from the local residents.

Screen
Derek Malcolm reviews the latest film releases every Thursday in The Guardian

Handwritten signature: Jy 17/1996

Wave machine

The World Service broadcasts in 43 languages worldwide, as well as a 24-hour continuous service in English. 140 million listeners tune in each week.

Frequencies

Where you can get the world service

MW 645
SW 6.195
SW 9.410

and on all FM frequencies after close-down

Also after close-down on many local radio stations

Radio news compared

Main news stories at 1pm, July 16

- Yeltsin meets Gorbachev amid fresh speculation over the Russian president's health
- China general in Hong Kong to inspect British troops
- Ukrainian Prime Minister Lazaruk survives assassination attempt
- Serbs threaten NATO targets if Karadzic is arrested
- Ireland: all-party talks resume
- Australian sprinter denies drug charge
- Princess of Wales resigns as patron of 100 charities
- Yeltsin: talks on political future resume
- Six Indian tourists abducted and killed in Kashmir
- Yeltsin makes first public appearance in weeks
- Share prices on London stock exchange fall sharply
- 15-year-old boy arrested by police hunting killer of schoolgirl Jade Matthews

Listening around the world

Europe	4.5 million
FSU & SW Asia	0.5 million
Asia Pacific	4 million
South Asia	7.5 million
Middle East & Africa	13.5 million
The Americas	6 million
Other	9 million
Total	48 million

Legend:
■ Listening in English
■ Listening in any other language

On the up

Global weekly audience figures

Year	Audience
1992	120m
1993	124m
1994	130m
1995	133m
1996	140m

Proud symbol's days are numbered

Save the World Service

Andrew Culf on the long and bitter struggle between modernisers and traditionalists for the soul of a globally respected institution

THE days of Bush House, the central London landmark that has symbolised the proud international reputation of the World Service for more than 50 years, are numbered.

The lease expires at the end of 2004, but plans to move out all of the World Service's staff are to be accelerated. They are likely to be "co-located", according to BBC jargon, on a single site at White City, home of the Television Centre in west London.

It was a highly symbolic announcement as the battle rages at the heart of the BBC intensified yesterday. The struggle for the soul of the World Service represents a fierce clash between two distinct broadcasting cultures.

On one side, the traditionalists, led by Mark Tully, the veteran foreign correspondent, and John Tusa, the service's former managing director, are waging a campaign to preserve a globally-respected institution.

On the other, the BBC modernists, led by the director general, John Birt, and his news chief, Tony Hall, have laid out a strategic vision of the BBC's role in an uncertain digital future.

Yesterday the schism between Mr Birt and his detractors appeared as deep as ever as Mr Hall, chief executive of BBC News, and Sam Younger, managing director of the



The many faces of the World Service... Specialist knowledge and skills in bringing international news in 42 languages to an audience of 140 million worldwide

World Service, headed for the Radio Festival in Birmingham, in an attempt to lower the temperature.

In simple terms it is an argument over whether the World Service should retain its own news operation or be integrated in the BBC's domestic news machine.

Yesterday, Mr Hall left little room for doubt: "The integration of BBC News and World Service news will allow all BBC journalists to build the strongest forces in news across the globe."

The two sides had been sniping at each other all week. The campaign to save the World Service mounted by Bush House staff had already won the support of nearly 1,500 staff and more than 170 MPs.

Mr Tusa took to Radio 4's airwaves yesterday to condemn the "absolutely terrifying ignorance" of the BBC's news. He urged Sir Christopher Blundell, the BBC's chairman, who appeared 40 minutes later accusing Mr Tusa of being three years out of date.

The BBC's news editors propelled the story on to BBC 4's headline agenda. An hour before he took to the stage at the Radio Festival, Mr Birt, secured a public admission from Mr Younger that he had considered resignation over the changes.

He knew about them just



The many faces of the World Service... Specialist knowledge and skills in bringing international news in 42 languages to an audience of 140 million worldwide

published yesterday, reveals why the World Service is worth fighting for. In his review, Mr Birt delivered a glowing appraisal of its performance in a year in which it increased its audience from 133 million to 140 million worldwide.

Mr Birt's blueprint for a reorganised BBC would pull together radio and television into bi-media directorates and separate commissioning from production.

The World Service's foreign language services would be left untouched but English, drama, and education programmes would be commissioned from BBC Production, a new directorate serving domestic radio networks.

English language news and current affairs programmes would be commissioned from



The many faces of the World Service... Specialist knowledge and skills in bringing international news in 42 languages to an audience of 140 million worldwide

EEC News, the directorate which makes domestic news programmes.

Mr Hall confirmed yesterday that a dedicated World Service news team will remain an integrated unit within BBC News.

Programmes for World Service will be commissioned by Bob Jobbins, a Bush House veteran, and the new team will be led by Ian Hoare, editor of World Service news.

Mr Hall said journalists would pool resources. He wanted to avoid compulsory redundancies, but could offer no guarantees.

The objectors believe World Service's international agenda and reputation will be swallowed up in a bland and monocultural news operation, driven by domestic priorities. Their message is that the World Service works well and does not need to change.

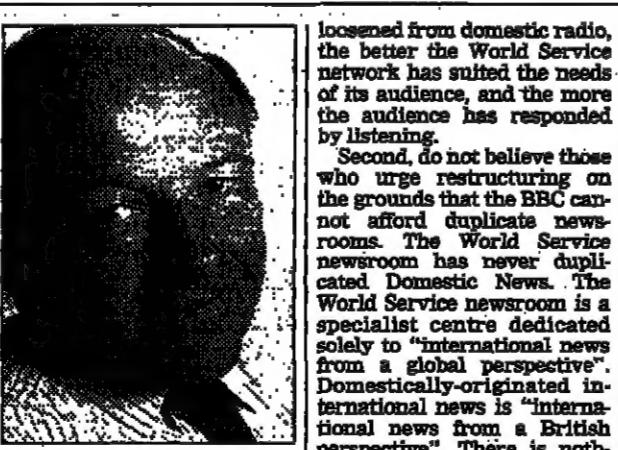
But Sir Christopher insisted: "Every single person would like to leave the World Service as it is. It is simply not an option. To do that would be... irresponsible."

Anger at 'fat cat' pay rise, page 4; Leader comment, page 5; Denis Healey and John Peel, page 6

Skills, knowledge and dedication will be jettisoned

The following is an edited version of a statement yesterday to the Commons select committee on foreign affairs by John Tusa, former managing director of the BBC World Service.

DO NOT have to labour the record of BBC World Service's achievements, the standing it enjoys at home and abroad, and the credit it brings to Britain. The proposed changes, announced suddenly last month without



John Tusa

decade as more and more programming has originated from World Service itself. Historically, the more that programme-making ties were

loosened from domestic radio, the better the World Service network has suited the needs of its audience, and the more the audience has responded by listening.

Second, do not believe those who urge restructuring on the grounds that the BBC cannot afford duplicate newsrooms. The World Service newsroom has never duplicated Domestic News. The World Service newsroom is a specialist centre dedicated solely to "international news from a global perspective". Domestically-originated international news is "international news from a British perspective". There is nothing wrong with that for a domestic audience; the global audience does not want it.

Third, last week's so-called concession under which World Service News and Current Affairs remains at Bush

My World Service

John McCarthy presents Outlook on the World Service: IN the summer of 1993 I became a dedicated fan of the World Service. I had been held hostage in Lebanon for two years and had received no news from the outside world. Suddenly a barren cell in the Bekaa valley became alive with the news, views and cultures of the whole planet.

I wept the first time I heard the signature tune and the words "This is the World Service of the BBC broadcasting from London". It gave me and my fellow hostages a real reason for keeping going.

We would listen, radio pressed tight against the ear, around the clock, forever marvelling at the range and depth of the programmes coming to us.

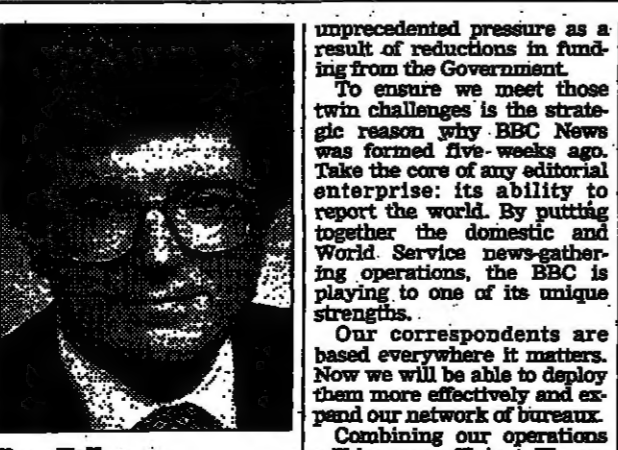
When I started working at Bush House earlier this year I began to appreciate how the World Service creates this remarkable output. There is a terrific buzz of excitement in the building to report impartially on the world's affairs. When I heard of the planned separation of the English and foreign language services I was angry, but more stunned.

I feel that the decision to tear apart this remarkable institution has been taken without an iota of the understanding that goes into every minute of World Service broadcasting.

The changes will help journalism to thrive at the BBC

Tony Hall, chief executive of BBC News, puts the case for the proposals.

THE big question facing the BBC's journalism today is how we keep alive the first hand, eye-witness reporting tradition that is at the heart of what we do. The broadcasting world is changing dramatically, costs are rising, income is flat or being reduced. How does the BBC's journalism survive and



Tony Hall

grow? We must meet head-on the challenge of changing technologies and a phenomenally competitive broadcasting environment.

The BBC's journalism has to be prepared for this future. The other great challenge for us is funding. The licence fee is pegged to inflation. And many of our costs are rising beyond that rate. So to carry on doing what we are currently doing — let alone adapt to a new environment — we

unprecedented pressure as a result of reductions in funding from the Government.

To ensure we meet those two challenges is the strategic reason why BBC News was formed five weeks ago. Take the core of our editorial enterprise: its ability to report the world. By putting together the domestic and World Service news-gathering operations, the BBC is playing to one of its unique strengths.

Our correspondents are based everywhere it matters. Now we will be able to deploy them more effectively and expand our network of bureaux.

Combining our operations will be more efficient. We can eliminate duplication on the logistical side and ensure we send the right number of reporters on stories.

This will make real savings. We need those saving

Lord Runcie, Archbishop of Canterbury, 1990-91: THE religious ingredient in international affairs is sometimes gravely underestimated by politicians and news vendors; but not by Bush House. The BBC World Service has built up the skills and experience necessary to address a wide variety of audiences. With its excellent religious education series, on Buddhism, Hinduism, Islam and Christianity, the World Service has done a great deal to break down the barriers between religions.

The chief interests of our domestic religious programme-making are at best exploratory, at worst trivial. The World Service chief addresses audiences where religion is perceived in a very different way. During my 10 years as

Archbishop of Canterbury, I came to depend heavily on Bush House for briefings on all my overseas travels.

Each Christmas and Easter I used to address Christians in places where there was very little if any religious freedom, and it was the World Service to whom I went first for guidance.

The thing that impressed me again and again was the availability of people in the World Service with whom I could sit down and talk to intelligently before framing my words very carefully. The World Service perspective was — and is — of great importance. I have grave doubts about how that would be maintained against the pressures of a domestic service which will have a different agenda, with quite different perspectives and pressures.

'The BBC Portuguese Service broadcast teaches me a lot. It is a shining light in a world full of darkness, lies and exploitation. Through you I learn, although I am always silent, to respect those who want freedom and fight injustice. You help me to hope that one day I will see a peaceful world.'

— listener in Angola

'You broadcast to the world without fear or favour. You are always ahead of other international radio organisations in reporting important events.'

— listener in Nigeria

'Sitting in the basement of what used to be a house, and frantically scrolling along the scale of my treasured radio receiver, I managed to find you... Apart from providing us with up to date information you give us those sweet minutes when I can still listen to my favourite musical programmes and forget about the reality around us.'

— listener in Grozny

'We always tune to listen to what is happening in Nigeria because the state-owned radios do not tell us the truth about the situation in the country.'

— listener in Nigeria

'I am a blind man. Neither the TV or the newspapers are of any use to me. I was introduced to the BBC two years ago, and since then I have never stopped listening. Once a discarded man, today I am sought after with respect by my neighbours for international news, thanks to the BBC.'

— listener in Malaysia

6 WORLD NEWS

Expert condemns 'untested theories' denying climate change • Germany's green shoots of recovery 'may wither'

Global warming debate heats up

Paul Brown in Geneva THE chairman of the body of 1,000 scientists which concluded that man is dangerously altering the earth's climate yesterday rounded on scientists supported by the fossil-fuel lobby who have been trying to rubbish their work... Speaking at the climate convention in Geneva, Bert Bolin urged journalists not to listen to individual scientists whose theories had not been tested, and whose motives appeared dubious... The Geneva conference, now in its second week, has become the focus of fierce debate and politicking as it tries to agree stricter targets for cutting carbon emissions under the 1992 United Nations Climate Change Convention signed in Rio de Janeiro... Mr Bolin said that ever since his group of scientists concluded that man was discernibly altering the climate, a campaign had been waged against their findings... Picking up the three volumes containing the 1,800 pages of reports of the Intergovernmental Panel on Climate Change (IPCC), he said: "This is the work of 1,000 scientists, reviewed, revised, and reviewed again. There is no compromise in one or other direction. Do not trust any individual scientists, not even me; look at the work of all these, a balanced view..."

Clean energy 'can be cheap'

MASS production is the key to switching the world from coal and oil to clean energy, industrial groups told the environment conference this week. The United States and European Business Councils said the change to renewable energy would not cause economic hardship - despite warnings from the oil lobby... "The products are already in the market. The only reason they are not cheap is that they are not produced in mass like current energy," said Harry Lehmann, the head of systems analysis at Germany's Wuppertal Institute for energy and the environment... He said seven available clean techniques could cover all energy needs. These are: biomass (producing heat from wood chips and plants); solar architecture (using solar collectors, solar heating, photovoltaic energy (conversion of solar power into electricity); and centralised solar plants in cities. - AP... in the last few weeks, in the lead-up to the Second Conference of the Parties (COP2). The Global Climate Coalition, representing big coal, oil and chemical industries, was handing out cuttings from papers including the New York Times and the Wall Street Journal at the door of the conference... Mr Bolin, a Swede, said: "We are not afraid of scientific debate, in fact we want it, but we want it in the scientific journals, in properly drawn-up arguments based

on data. This is not an argument that can be conducted in newspapers." Sir John Houghton, former head of the Meteorological Office and co-chairman of an IPCC working group, criticised a book by John Emsley of Imperial College, London, who had concluded that global warming was not happening. He described some of the arguments as "naïve, and not capable of standing up to serious scientific scrutiny"... He said the work had not been tested, and that Mr Emsley was a serious chemist, but not a serious climate scientist... Patrick Michaels, a professor from the University of Virginia, who is not one of the IPCC's 1,000 scientists, gave a news conference yesterday in Geneva in which he said climate change was not a threat. Sir John said of him: "You must not take any one scientist's evidence, particularly one that has a political message attached to it"... The battle between the scientists was mirrored in the political meetings. Reports were being finalised for the heavyweight politicians to consider when they arrive at the conference today... A resolution demanding that the IPCC's report should "be used as a basis for urgent action" to implement new measures to combat climate change was resisted by oil- and coal-rich countries. They asked for the scientists' assessment merely to be "taken into account"... No consensus was reached. Eleven of the 150 countries present objected to "urgent action". They included the largest oil and coal producers - Saudi Arabia, Kuwait, Iran, Oman, Nigeria, the United Arab Emirates, Syria, Qatar and China.



Boys leap playfully into the harbour of Sevastopol, Ukraine, to cool down during a heatwave which has engulfed the region. PHOTOGRAPH BY SERGEI VOLKOV

Scientists in the dark as Black Forest confounds prophets of doom

There were shrill warnings of an evergreen cemetery, but Germany's trees are thriving, writes Rick Atkinson in Freiburg... THE Black Forest was considered all but dead by the German press and in the public imagination a dozen years ago... Newspaper headlines, television documentaries and environmentalists warned that the legendary woodland - covering nearly a million acres in south-western Germany - was in the grip of ecological calamity. Pollutants and climatic changes were creating an "evergreen cemetery"... "Germany without forests - it's unimaginable," one magazine warned in 1982. "And yet, this will soon be the case. Do our pine trees have to die?"

asked the newspaper ESSLINGER Zeitung in March 1982. Hermann Graf Hatzfeldt, a leading forester, wrote in 1982: "The forest is on its deathbed..." Yet today it is clear, to paraphrase Mark Twain, that despite some lingering concerns, rumours of the forest's death were premature. Not only is the Black Forest marvellously verdant but like forests across most of Europe - it is growing faster than ever... "Since we began measuring the forest, more than 100 years ago, there's never been a higher volume of wood per acre than there is now," said Heinrich Spiecker, director of the Institute for Forest Growth at the University of Freiburg... Similarly, a new study by the European Forest Institute in Finland reports that "an increasing growth trend has been observed in the southern regions of northern Europe, in most regions of central Europe, and in some parts of southern Europe..."

Even those who are relatively sanguine about the situation acknowledge that the misplaced hysteria of the early 1980s had a "cry wolf" effect by deflating public interest in forest ecology. A Forsa Institute poll in 1993 found that only 3 per cent of the Germans surveyed believed forest death to be a leading ecological concern... Mr Eitzfeldt, whose books in the 1980s included The Forest Is Dying, said: "On one hand, the claim that the forest would die because for us it's so deeply embedded in history and culture and the psyche of people. At the same time, I feel that we have overdone it, and a bit of the callousness and carelessness about the forest today is the result of over-excitement 10 years ago..." The Black Forest's startling growth - 20 to 30 per cent more wood volume than a few decades ago - probably reflects nitrogen increases in tree diets, foresters say. But whether that is good or bad in the long run remains uncertain... Mystical attachment to the deep woods is a prominent theme in German Romanticism... Alarmism about the woods is nearly as old as the trees themselves. A century ago, the author Hans

Jakob quoted a landowner as warning: "If things keep on going the way they're going, we'll soon be able to change the name to the Bald Forest..." But hysteria was high in the early 1980s. Thousands of conifers in the Black Forest showed clear signs of stress, with an unhealthy yellowing and substantial needle loss... "Yellow death hovers over the sick forests," one headline warned... From 1984 to 1994, the federal and state governments spent \$250 million trying to stabilise damaged areas... Although researchers variously suspected ozone depletion or the sulphur in acid rain, Mr Spiecker now believes "that weather is the key factor, although I cannot prove it". Cool, wet weather - good conifer-growing conditions - from 1960 to 1970 was followed by a warm, dry spell beginning in the mid-1970s... "The woods reacted badly," he said, "shedding needles to minimise transpiration" or vapourisation through leaves. Tree fir's once dominated - leading the forest a dark, brooding countenance that gave it its name - spruce trees are now equally common... Also deciduous trees such as beech, oak, maple and ash have declined... The recent growth spurt is mystifying. One apparent factor is the gradual end across Europe in recent decades of "litter-raking" - farmers scraping up fallen needles, leaves and underbrush to fertilise fields... Although chastened by their earlier false alarms, German environmentalists still voice disquiet... Mr Hatzfeldt cautioned: "Honest people will admit they don't fully understand what's happening. If we were not entirely right about the forest dying, we were not wrong. It's just that everything's a bit more complicated." - Washington Post

Asbestos forces students out

Paul Webster in Paris ABOUT 40,000 university students and 10,000 staff will start leaving Jussieu on Paris's Left Bank before the end of the year following a presidential order to close the city's biggest campus indefinitely because of asbestos contamination... It has taken 20 years of protest to force an official reaction to asbestos poisoning in the 26 high-rise blocks that jointly make up Paris VI and Paris VII universities, but the evacuation deadline has

raised threats of a revolt by students with nowhere to go... France's president, Jacques Chirac, said during his Bastille Day press conference that Paris VI and VII must be evacuated, but did not say where the students would go... Decontamination work, which could take several years, has already started and thousands of students will have to find emergency lecture rooms for the autumn term, which is regularly troubled by demonstrations over poor facilities... The urgency to evacuate the campus has been fuelled by fears of a political scandal over official neglect similar to the HIV-contaminated blood transfusions that contributed to the defeat of the Socialists in 1983... There are also allegations of pressure to develop the prime site for luxury flats... An education ministry mission is being set up to explain the \$100-million decontamination programme and discuss possible alternative accommodation in a conference centre on the Right Bank... But the universities' presidents are ready to encourage resistance and demand renova-

tion to avoid mass evacuation or a postponed deadline... Jean Lemerle, head of Paris VI, said early closure amounted to a death warrant... Professors at Paris VII warned of uncontrollable student protests with dramatic consequences... Michel Parigot, head of Jussieu's anti-asbestos committee, said teaching staff are angry because it will be impossible to relocate laboratories in such a short time... Local shopkeepers and cafe-owners, 90 per cent of whose customers are students, said they face bankruptcy.

Ukraine prime minister survives car bomb 'assassination plot'

James Meek in Moscow UKRAINE'S new prime minister, Pavlo Lazarenko, survived an apparent assassination attempt yesterday when a bomb exploded in Kiev as he headed for talks in the strike-bound Donbass region... Mr Lazarenko was not seriously hurt and later flew on to the eastern city of Donetsk, where he was due to meet coal industry executives and representatives of striking miners... Two cars, one carrying the prime minister and one his escort, were damaged by the explosion, which gouged out a crater three feet deep in the road. The bomb, thought to have been detonated by remote control, went off just as the cars were about to cross a bridge across the river Dniester... Political violence has been virtually unknown in Ukraine since it declared its independence from Moscow

News in brief

- Raids to stop child labour: Pakistan, faced with scathing international criticism and threats of trade sanctions, has ordered local authorities to raid factories employing child labour, a government minister said yesterday... Tunnel gang jailed: A Berlin court yesterday sentenced five men to between six and 13 years in jail for their part in last year's "tunnel robbery"... Refugees vanish: About 2,000 Sudanese refugees have disappeared from a camp in northern Uganda after nearly 100 were killed by Christian fundamentalist rebels last week, a senior Ugandan defence ministry official said... Sailor suspect: A man with a knife slashed the throat of Kaori Tanigawa, a Japanese woman in south-western Japan, yesterday, a news report said an American sailor was being questioned in the case and had denied any involvement... Teenage genius: A Romanian has beaten 429 teenagers from 75 countries to top the 37th International Mathematical Olympiad, the contest's organisers said in

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Rwan... Timorese... ble to ch... WATERLOO...

Isias Nkejemuto's wife and four children died in the 1994 genocide. Now the fear is back, writes Chris McGreal in Kigali

Rwandan killers target witnesses

SIAS Nkejemuto had reconciled himself to the perpetual torment of memory since Rwanda's genocidal fury consumed his wife and four of his children, two years ago. But he hardly expected the nightmare to return, banging on his door.

The terror crept back late one night last month to a small community of Tutsi survivors in Bunyamanza, a small settlement in the western province of Kibuye. Dozens of Hutu extremists went from house to house, shooting and hacking. Before the army arrived, 16 Tutsis were murdered.

Mr Nkejemuto and the rest of the Tutsis fled their homes for the capital.

Once again they are refugees in their own land, running from the Hutu militia, the *interahamwe*, they

thought were crushed two years ago.

The attack on Bunyamanza was one of a rising tide of assaults on genocide survivors, who have been shot, decapitated or poisoned. Last month 28 Tutsis were murdered in a single raid just across Rwanda's border with the refugee camps in Goma, Zaire. Five of the dead were children. A few days earlier, Hutu extremists struck close to the capital, wiping out an entire family of genocide survivors, including grandparents and young children.

Many more have fled in the face of threats. Nearly 300 from just two communes are camped out with Mr Nkejemuto at a community centre in Kigali.

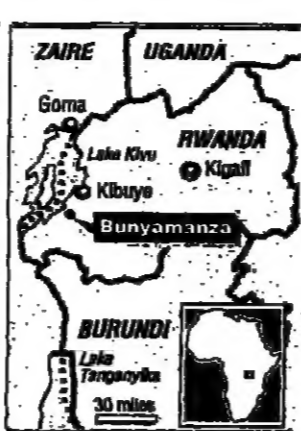
Some assaults appear to be an attempt to finish what was started in 1994; others are to discourage homeless Tutsis

from occupying property abandoned by Hutus. But Mr Nkejemuto is among those who believe the raids are mainly aimed at silencing witnesses to the genocide.

"When we came home after the genocide we were amazed to see some of the killers were still here. They were living openly. But we went to the authorities. We exposed these men. That is why we have a problem," he said.

Before the genocide, Kibuye had the highest concentration of Tutsis in Rwanda. It also had one of the Hutus' most effective killing machines. Only a few thousand survive of the 250,000 Tutsis who once lived in Kibuye. Mr Nkejemuto is among them.

Clement Kayishema, Kibuye's former governor, is the highest official of the old regime in the custody of the international tribunal, facing



'We were asleep when the place was surrounded. They started cutting people with axes and shooting. It was just like two years ago'

ing to an organised slaughter. In other cases, victims were decapitated and their heads carried off, perhaps so the killers could prove they had done their work.

"In the past few weeks witnesses have been less willing to come forward," said Alain Sigg, an international tribunal representative in Kigali. "We're deeply concerned."

Before the raid on Bunyamanza, Tutsis there had suffered weeks of intimidation. Mr Nkejemuto and his three children were among 14 Tutsi families, or what remained of them, who settled there. Most of their homes had been destroyed, so they moved into houses abandoned by Hutus.

At first their property was stolen. Then anonymous notes arrived, warning them to get out. The army arrested a Hutu man caught trying to poison Tutsis. Shortly before

midnight on June 16, Mr Nkejemuto heard shots.

"We were asleep when the place was surrounded by *interahamwe*. There were only two soldiers to guard us and one of them was killed straight away. Then they started cutting people with axes and shooting. We were hiding behind our doors. It was just like two years ago," Mr Nkejemuto said.

Among his neighbours was Tasiana Mukagatana, aged 35. She lived alone, the only one of eight siblings still alive. She said the killers were particularly interested in genocide survivors who would testify in local trials.

"Some of us have given evidence because we saw some of the killers were still in their villages. The *interahamwe* warned us that we would be killed if we spoke out, but we didn't think they would just

come to our homes," she said.

While the government blames Hutu extremists in Zaire for most of the attacks, survivors look closer to home. The Tutsis who fled Bunyamanza accuse their Hutu neighbours of colluding with the killers and diverting the attention of soldiers before the attack.

"The biggest problem is not those in Zaire but our Hutu neighbours. They are accomplices," Ms Mukagatana said. "The *interahamwe* would come back to stay with their relatives; when the attack came they knew where the Tutsis lived. Afterwards the army found a letter from Zaire in the house of an old woman, which told her there would be an attack."

"We have suffered once and now we have to suffer again," Mr Nkejemuto said. "How can we get justice?"

Timorese find little to cheer

Twenty years of Indonesian rule have brought scant benefits to Dili, John Aglionby in Jakarta reports

THERE will be few indigenous East Timorese among the crowds gathering outside the governor's office in the capital, Dili, today to celebrate the 20th anniversary of Indonesia's annexation of the former Portuguese colony.

For while Jakarta maintains that the vast majority of the population wants to be integrated into Indonesia, the reality is not so clear cut.

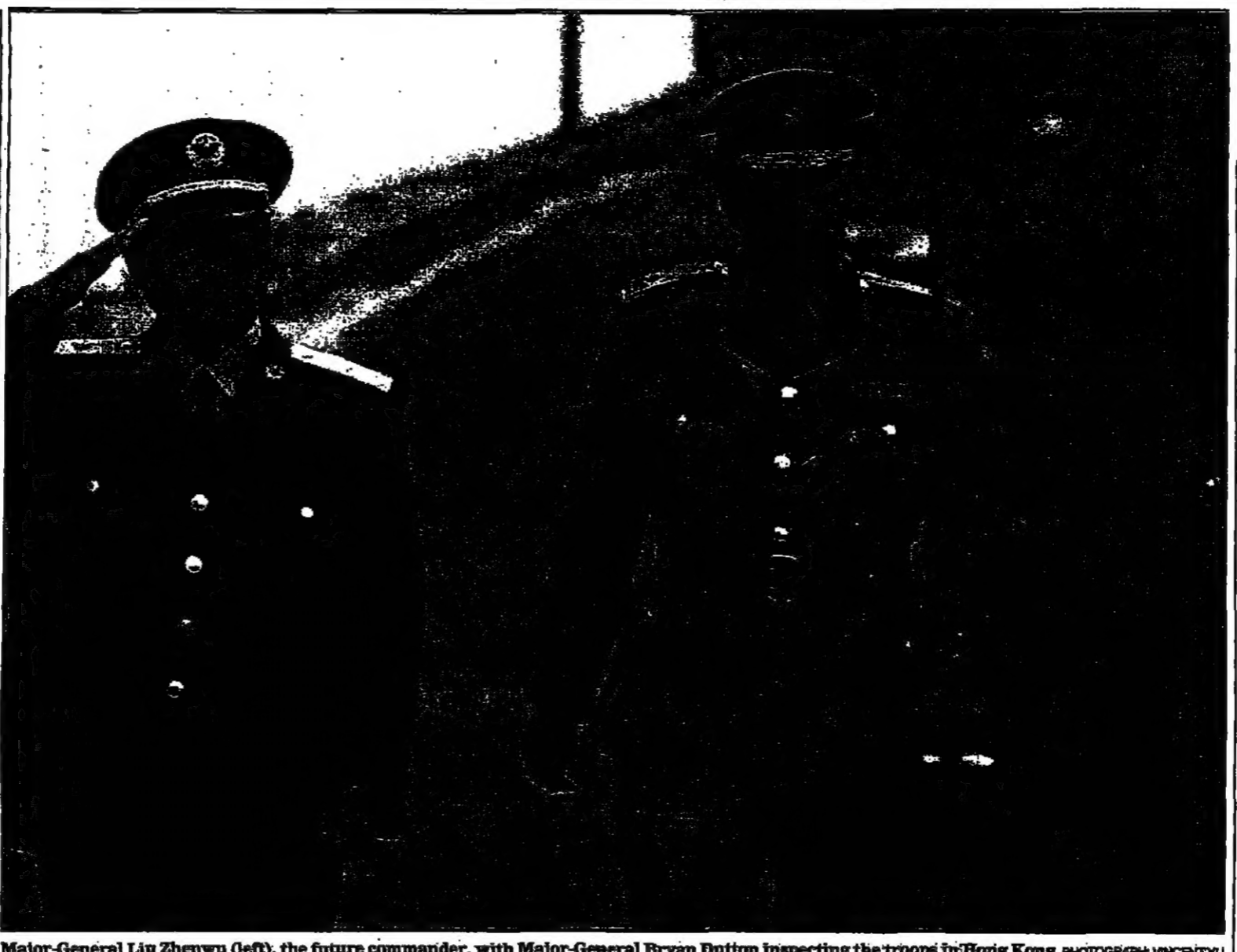
Since President Suharto declared the region Indonesia's 27th province on July 17, 1976, Jakarta has assigned more than 2535 million to develop East Timor, and the area is undoubtedly much better off. But little aid has reached the 750,000 East Timorese. In the past two decades, up to 150,000 have died from fighting, starvation and disease. Outsiders have the best jobs and unemployment is rife.

The 5,000 troops there are ostensibly to quell the couple of hundred armed insurgents of Fretilin - the Revolutionary Front for the Independence of East Timor. But it is just a facade, according to Indonesian analysts. "They get a lot of funding to be there and are concerned about the threat posed by urban, unemployed youths," said one.

"These Timorese do not know anything but life dominated by Indonesian soldiers. They have not benefited from development programmes. They want independence, or much greater autonomy."

It is the military approach to development that is the source of the tension, according to diplomats. "If the military was more imaginative it would realise that by withdrawing the troops and allowing the East Timorese to govern themselves, much of the opposition would be dissipated," a foreign envoy said.

East Timor's military com-



Major-General Liu Zhenwu (left), the future commander, with Major-General Bryan Dutton inspecting the troops in Hong Kong. PHOTOGRAPH BY VINCENT YU

China's army chief sees honour guard in Hong Kong

Andrew Higgins in Hong Kong

MORE than 150 years after their unhappy encounter in the opium war, Chinese and British generals yesterday exchanged their first salutes in Hong Kong to a bagpipe lament at the Prince of Wales barracks.

Major-General Liu Zhenwu, commander of the "red first regiment" that will move into Hong Kong on July 1 next year, reviewed an honour guard of the 1st Battalion of Royal Gurkha Rifles.

The arrival of Gen Liu for a three-day visit begins the formal countdown to a military takeover that, in 349 days, will finally avenge China's defeat in 1842.

Britain and China have been squabbling behind closed doors about the size of an advance guard Beijing wants to send to Hong Kong to prepare for the arrival of some 10,000 troops of the People's Liberation Army.

Hong Kong's post-1997 constitution promises that the PLA will "not interfere in local affairs" but Deng Xiaoping has warned that China will use force to halt "turmoil".

Some Hong Kong residents are worried about the PLA's business judgment. Gen Liu will receive a monthly salary of only 1,200 yuan (about \$100), less than a third of the minimum for domestic servants.

Old guard secures the future for Vietnam's new rich

Nick Cummings-Bruce in Ho Chi Minh City

THE smiling receptionist of Long Hai Company in Ho Chi Minh City is not all she seems. Elegantly attired in a traditional Vietnamese gown, she looks every inch the mature secretary, but she is trained to deliver a nasty kick and a fatal chop.

Such skills are a prerequisite for all the employees of Vietnam's only private security company. Set up six months ago, it is a new ingredient in an intriguing Vietnamese cocktail that blends elements of its communist past and the effervescent entrepreneurship long suppressed in the south.

Gleaming skyscraper offices are springing up in the centre of what was formerly Saigon. A rash of costly villas is spreading through smart suburbs.

Vietnam's Communist Party leaders are committed, in principle, to market-oriented economic reform, but are in two minds about the benefits.

In principle, there is nothing wrong in being rich, the party says. But in the smaller community of the capital Hanoi, in the north, the rich feel uncomfortably exposed to the envious, or possibly benevolent, gaze of hidebound ideological martlets.

Even in Ho Chi Minh City, where incomes are more than four times the national average, it is not only unreconstructed capitalists that are setting the pace. The pro-communist boss of a privately-owned textiles factory has just imported Vietnam's first Rolls-Royce.

A company set up by the culture ministry is behind a new bowling alley which serves Coca-Cola, Carlsberg and Western rock music to a crowd of young wannabe tycoons.

The advent of such prosperity has opened the way for the Long Hai security company. Its boss is Major-General Phan Van Xuan, aged 72, a veteran of Vietnam's shadowy internal security service who was a bodyguard to Ho Chi Minh.

"Because of economic changes there are new crimes. We opened this company to give confidence to foreign investors and wealthy Vietnamese," he says.

For about \$5.20 an hour, Long Hai Security provides a martial arts-trained bodyguard. A 24-hour security guard service to factories and other premises costs \$450 a month.

In six months, the company has doubled its security guards to 100 and Gen Xuan is thinking of opening a branch in Hanoi and expanding into private investigation.



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The World disservice

The BBC's myopic plans should be halted

JOHN BIRT has made an awful mistake and should admit it. The BBC's takeover of its World Service offshoot is an act of cultural vandalism which should be rescinded forthwith.

Whatever the shortcomings of the BBC however, the Government remains the main villain because of savage cuts in the budget of an organisation which should be benefiting from some of the savings made by the post-Cold War reductions in defence spending.

Sure, it brings in no revenues. Like blood, it is one of those things that an altruistic Britain gives away for free: but it has an influence on world affairs that is impossible to price, as countless people, including Terry Waite, Nelson Mandela, the Dalai Lama and ex-President Gorbachev would attest to.

Rupert Murdoch's tax problem

His companies don't like paying up: it's time they learned

ENOCH POWELL used to say that as a citizen he looked forward every year to paying his taxes. Not so Rupert Murdoch. As our investigation yesterday showed, Mr Murdoch's News Corporation paid a meagre £76 million in taxes on profits of £793 million.

Rupert Murdoch is no ordinary citizen. He runs newspapers around the world, which regularly tear people and governments apart when they depart from what his papers regard as proper public behaviour.

Peace must never take a holiday

MPs should think very carefully before taking theirs

WHEN is a crisis not a crisis? When it's the summer holidays. Northern Ireland is enduring by far its most serious summer for many years. In such circumstances the need for politicians to mobilise a public movement for peace might seem paramount.

Everyone needs a holiday, and politicians are no different from the rest of us in that respect. Moreover, constructive talking is not easy in Northern Ireland right now, after a week which has rocked the stability of the province to its foundations.

English language side of the World Service - even if, this time round, some of the key posts will go to the World Service personnel who - now they have decided not to resign - have convinced themselves that the new system (including the BBC's byzantine internal market) can be made to work.

Goodness knows what will happen when the diminished grant-in-aid that the World Service receives direct from the Foreign Office gets mixed up with BBC's income from licence fees. There will be an even greater incentive by the Treasury to cut subsidies. In the coming battle between the globally-oriented World Service and the domestic BBC over staff economies does anyone seriously doubt who will be the loser?

as it surely will - in the ambitions of Birt's Broadcasting Corporation.

Murdoch press to embark on a new and highly-popular campaign for which its global reach makes it uniquely qualified: persuading corporations to pay their "fair" share of tax. For although News International is a glaring example, corporate tax avoidance is a worldwide problem needing a worldwide solution.

Bread and better

DAVID Hirst's report (King Hussein faces revolt as bread prices, July 13) is a very unbalanced assessment of the situation in Jordan today.

There has been widespread discontent about bread prices for two months prior to this week's increase. The plan is to re-channel the subsidy in the form of salary increases to those on low incomes.

When Sachs accidentally blows himself up, the narrator's address is found among his remains. He is questioned by FBI agents but refrains from identifying his old friend as the bomber.

There is a national 24-hour postal strike from midnight tonight. But we are confident that our readers will use technology, and ingenuity, to communicate with us as usual.



Letters to the Editor

The wars of the sexes

DONNA COVEY'S article (Why Kamlesh Bahl must go, July 15) conveyed some misleading impressions about the Equal Opportunities Commission.

The EOC was established to achieve equality for both women and men and has a proud history of challenging sex discrimination wherever it exists.

Historically, and today, the bulk of discrimination is still against women and that is where the EOC focuses most of its resources - in key areas such as part-time work, sexual harassment, pensions, pregnancy and maternity, childcare, education and training.

ONE cannot but be surprised at the insipid nature of what is clearly a very personalised attack on Kamlesh Bahl. For the past 20 years, as the statute requires, the EOC has worked to redress imbalance and discrimination on the grounds of sex, whether male or female.

However, the scene is changing rapidly. Jobs for life, should be built into everyday life. That responsibility is for everyone, not just the chairwomen, commissioners and staff of the EOC.

Ray Thomas, 35 Passmore, Milton Keynes MK6 3DY.

THE traditional expectation of a predominantly male workforce, have all but disappeared. Both structural changes and changes in employment patterns are resulting in more flexible working requirements.

These changes are reflected amongst members of the Opportunity 2000 campaign. Policies and practices designed to enable people to balance work and home more effectively are now open equally to women and men.

The aims of the EOC haven't changed: the job market has. Surely the fact that increasing numbers of men are now using the EOC to voice their concerns demonstrates that the work of not only the EOC but also organisations like Opportunity 2000 is bearing fruit.

Chairman, Lady Howe of Aberavon, 44 Baker Street, London W1.

DONNA Covey proclaims that there is a difference between fairness for men and equality for women. One would expect Ms Covey, a trade-union official responsible for equal rights, to have read (and understood) Animal Farm, in which Orwell anticipates her position with the memorable dictum: All animals are equal - but some are more equal than others.

Richard Gregory, 16 Carbery Villas, London W6 0BS.

Readers continue their humble attempt to solve Ireland's crisis

ANY HOPE of progress in Northern Ireland now requires a framework to which the Protestant parties are forced to respond. The Anglo-Irish Agreement must be revised to give the UK the option to parallel Dublin's forwarding of territorial claims with its own disengagement of sovereignty, leaving a residual European Union to pick up the peace-making pieces.

Most of us do not willingly tolerate those who cannot find in themselves the acceptance which Irish Catholics, as neighbours and colleagues at work, enjoy on this side of the water.

WHAT a chance for Tony Blair to exercise statesmanship. If the Labour Party offered a firm commitment to hold back its voting power in Parliament by the size of the Orange voting strength whenever issues bearing on the Irish situation came to a division, he would free the Government from its dependence on the Orange vote.

Tom Snow, Mundania Road, London SE22.

IT is time that we offloaded this Boenla on our doorstep and spent our money on more worthy causes.

Mary Russell, Cedar Road, Sutton, Surrey SM2.

ONE of the greatest obstacles to peace in Northern Ireland must be Sir Patrick Mayhew. To judge from his public demeanour, he is at once querulous and patronising, unctuous and obstinate, pompous and equivocating.

His judgment is now exposed as unreliable, to say the least. There is only one honourable course of action open - resignation.

Angus McGeeoch, William Street, Oxford OX3.

THE inexorable move towards a United States of Europe will deliver the only solution to the problem in Ireland. With a single currency and a Brussels-based government, Ireland, like California in the US, would become a state within a unified Europe.

Peter Stewart, Valetta Road, London W3.

As a conductor who heard the concert in Salisbury Cathedral last Saturday, may I correct any impressions from your correspondents that Sir Edward Heath cannot conduct moving performances. The Schubert Unfinished Symphony had great depth and atmosphere. Ivo Pogorelich Concerto with tremendous freedom, requiring a very subtle accompaniment. The Bruckner Te Deum, with the Philharmonia Chorus, provided some thrilling moments, unforgettable for the right reasons. The music was fulfilled. What more can one ask of a conductor?

Denis Vaughan, 41 Floral Street, London WC2E 9DG.

Hallelujah chorus for Sir Edward

IT IS depressing to read again letters from "professional" musicians (July 15 and 16) decrying the efforts of Sir Edward Heath, who admits to being an "amateur". This closed-shop professional approach killed musical progress in Britain in the 19th century - and for what? To pay homage to Parry, Prout, and the upright musical establishment.

Whilst we in Britain were primarily arranging our musical anticlimaxes, in Russia, Rimsky-Korsakov and Borodin (to name but two self-composed amateur musicians) brought fresh air into the music of that country. It took Elgar (not taught in a formal conservatoire) and Walton (no formal teaching in composition) - to name but two - to bring new life to British music.

Perhaps we should remember the root of the word amateur - one who loves his recreation. The sour comments from your correspondents seem to suggest that they equate love with technical excellence. As a professional you may have technical excellence, but your letters don't suggest that there is much love about.

Roy S Lebrle, 96 Presthope Road, Birmingham B28 4NL.

A Country Diary

AUBRAC to QUERCY: Tall spikes of yellow gentians grow between masses of wild pansies with long-stemmed pink thrift amongst flowering grasses. Low granite walls edge the drailles or droveways across these expansive summer pastures.

THE Highways Agency describes road protesters planting trees in the M1's fast lane as causing "damage". Trees planted in fast lane, July 15. Presumably when the agency chops down thousands of trees to make yet another road, this is "progress".

WHY can't Pru Leith just leave the empty plinth in Trafalgar Square as it is (Letters, July 15)? Why do we need to fill up the square in its first 150 years? There will be crises in the centuries ahead, and heroes will emerge to save the nation. Save it for the hero yet to come.

David Shannon, 39 Woodland Mount, Hertford SG13 7JD.

chestnut woods and, on a dull day, the fluffy flower tassels are luminous as sunshine against the purple heather on rocky ridges. The last lap of our walk on St Jacques' path is south-west on Cahors, across limestone country, in woods of stunted oak juniper and box, resounding with chaff chaffs and whirring cicadas. Wheat is crackling ripe in the valleys with sunflowers, tobacco and maize irrigated from streams and farm reservoirs. The temperature in Lauzerte is 82C, compared with only 10C in Aubrac. Orchards of black cherries, kiwi fruit, ripening apricots and yellowing plums, with vineyards of the celebrated Chasselas grape, fill the landscape towards Moissac.

Finally, we drop down Côte St Michel to the red-tiled roofs and massive Romanesque abbey where swifts shriek and fly formations over cobbled squares and fruit market beside the river Tarn and greenish water of the Lateral canal.

St Michel to the red-tiled roofs and massive Romanesque abbey where swifts shriek and fly formations over cobbled squares and fruit market beside the river Tarn and greenish water of the Lateral canal.

VIRGINIA SPIERS

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Telephone: 0171-239-9610
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Finance Guardian

Governor warns Tories that poor state of public finances could prevent rate cuts and tax hand-outs

Election bonanza at risk

Richard Thomas and Michael White

THE Governor of the Bank of England, Eddie George, yesterday issued a sharp warning to the Government that the poor state of the public finances could scupper its hopes of pre-election interest rate cuts or tax giveaways.

Mr George told the all-party Treasury select committee that he was worried by news that the Treasury had dipped £3.7 billion into the red in June — against market expectations of £3 billion.

Mr George said that the forecast by the Chancellor, Kenneth Clarke, of more than a 4 per cent growth in consumer spending next year would not be sustainable in the long run, and that inflation would be "somewhat stronger" than the Treasury forecast of 2.25 per cent for 1997.

City analysts echoed the governor's fears. Some economists said that the size of the shortfall in June combined with a £300 million upwards revision to May's figure in June cast doubt over forecasts of a £27 billion borrowing requirement for this financial year made by Mr Clarke last week.

data to mount John Major over his failure to balance the budget, promised at the last election. Borrowing now cost "every family £1,000 a year in tax," the Labour leader said.

ary to the Treasury, Andrew Smith, accused her of unjustified optimism. "It is alarming that the underlying trend of public borrowing — that is excluding privatisation receipts — is still worse than last year's dismal performance," he said.

Notebook

London learns to go it alone



Edited by Patrick Donovan

T TELLS you much about the mood of the market that traders have spotted that this morning is the 58th day since the Dow Jones index began its seemingly unstoppable slide.

For those of a superstitious bent, this is a hugely inauspicious date, as it took exactly 55 days between a market peak and the calamitous Wall Street crash of 1929 and 1987. Certainly, the omens do not look good for US investors, as the Dow Jones continued its extraordinary performance yesterday.

Back in London, the FTSE is in the process of a major correction rather than slipping into a full-scale bear market. London may traditionally rise and fall in time with Wall Street. But after a second day of turbulent trading, there are signs that the FTSE will escape being swallowed into the slipstream of its Dow Jones counterpart.

These hit the gilts market badly, a factor which had a corresponding knock-on effect on leading equities.

The first worry is government spending. The Chancellor, Kenneth Clarke, may have frequently warned that there is precious little scope for tax cuts. But few were prepared for the June PSBR figure of £2.6 billion, significantly larger than expected, which seems to rule out any kind of pre-election spending bonanza.

Secondly, remarks by Mr George before a Commons select committee spread further jitters about the economy — particularly his fears that the Government would be able to meet its inflation forecasts.

Whatever the outcome of the current bout of market uncertainty, however, it is clear that there will be a period of retrenchment.

tion — be it takeover, rights issues or new floats — will be put on hold until the end of the summer.

Left behind

IN HIS anxiety to show that New Labour has embraced dynamic, global capitalism, Tony Blair may not have noticed the leftward drift of the organisations which led the 1980s free-market revolution.

Already, the previously bone-dry World Bank has embraced trade unions and urged redistribution to the world's poorest nations. Yesterday the Organisation for Economic Co-operation and Development — once the bastion of market freedoms — took its own step away from Thatcherite orthodoxy.

In its Employment Outlook, the OECD warns that growing earnings inequality threaten the societies of industrialised societies and that contrary to right-wing claims, the growing gap between rich and poor is not being offset by greater upwards mobility.

But the real surprise came in OECD's suggested remedies. Cutting benefits — the preferred option of the Tory right — would simply deepen the fractures of Western economies.

The solution, then, is to make work pay. And on top of reforms to the benefit system the Paris think-tank suggests one way to do this is imposing a minimum wage on employers.

The first mention of the policy appears on page 14 of the Road to the Manifesto, and the minimum wage does not feature among the party's five "Early Pledges".

Stock markets shudder as tremors cross the Atlantic

Ian King, Paul Murphy and Mark Tran in New York

FRESH turmoil is expected to hit the London stock market today, after a roller-coaster session of Wall Street trading saw the Dow Jones plunge by as much as 186 points — before recovering most of these losses in a 15-minute burst of buying.

Earlier, more than \$11 billion was wiped off share values in London as the FTSE-100 index of leading shares suffered its heaviest one-day fall for over two years, crashing more than 86 points before reviving to finish 68 points lower at 3,623.3 — its lowest level this year.

Stock markets around the world shuddered as Monday night's heavy sell-off on Wall Street was echoed in Tokyo, Hong Kong, London and other European bourses.

However, it was in New York where trading was at its most volatile, with the Dow recovering sharply after its initial fall. Analysts said that when the Dow hit a loss of 186 points, it was the cue for bargain hunters to step into the market in a spate of "bottom fishing".

In London, the worse-than-expected PSBR figures helped to pile on the gloom left over from Monday's falls on Wall Street, although most analysts said the crash was largely down to events across the Atlantic.

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Markets are expected to continue in their present jumpy state until Alan Greenspan, chairman of the Federal Reserve, America's central bank, gives a crucial address to the Senate Banking Committee tomorrow.

As stock market jitters hit London with a vengeance, City analysts confidently predicted further setbacks over the next week, despite the FTSE's late rally last night.

With share prices in London likely to come under further pressure today, Alison Southey, an equity strategist at the Japanese banking house Nomura, said the market was in for "a rough ride".



Watching brief... London traders look on as share prices plummet

out in New York — with British shares having failed to match the astonishing speculative boom in US equities over the last 18 months — the cocktail of fears over interest rates, concern over corporate

earnings growth and political worries in the UK would keep equity prices under pressure. But Ian Williams, equity strategist at the broker Panmure Gordon, said he expected some tentative buying.

The catalyst for the fall in US share prices, which is now regarded as the biggest correction since the stock market crash of 1929, has been disappointing profits news.

US investors in the latest economic data. Consumer prices overall edged up just 0.1 per cent in June. The White House also projected an unexpectedly low deficit of \$116 billion for fiscal 1996.

Biotech rights issue flops

THE end of the boom in biotechnology stocks was formally signalled last night when the £143 million rights issue for British Biotech, the sector leader, officially closes.

Last night British Biotech shares closed down 10p at 2080p, against the rights price of 2050p.

shares. However, British Biotech insisted that because the issue had been fully underwritten, it would receive the full £143 million.

A spokeswoman said: "Of course we are a bit disappointed that the share price has not held up, but we will be able to do everything we can to do everything we are getting and everything is still on track."

there will clearly be a stock overhang in the market. With British Biotech being the sector leader, this will clearly affect everything else.

Shares were rattled last week when Cambrio, a Cambridge-based biotech company, was forced to postpone its flotation.

Wage gap a threat to society, says OECD

Minimum wage and strong unions said to be needed, says Richard Thomas

THE Organisation for Economic Co-operation and Development deplored from its typically free-market line yesterday, warning that the soaring gap between high-paid and low-wage workers in many Western nations threatened to marginalise workers and put additional strain on government coffers.

Minimum wages, strong trade unions and generous welfare benefits help to defend the social fabric of industrialised nations against the corrosive impact of growing wage inequality, the OECD said.

payments are faring better than their Anglo-Saxon counterparts, the OECD said. "A low incidence of low-paid jobs tends to be associated with high rates of unionisation and collective bargaining, high minimum wages and generous welfare benefits," according to Employment Outlook.

The report also says that labour market exclusion is that labour market exclusion can easily turn into poverty and dependency," the annual Employment Outlook warned.

cast that UK unemployment would fall from 7.9 per cent to 7.5 per cent next year, just above the 2 million mark.

But the Government pointed to the OECD's forecast that UK unemployment would fall from 7.9 per cent to 7.5 per cent next year, just above the 2 million mark.

Nuclear float group sees share price go critical

HAPLESS small investors in British Energy yesterday suffered further losses on their holdings in the newly privatised nuclear company as the shares continued to collapse, writes Simon Beutts.

mun allocation of 900 shares. Yesterday's losses were compounded by volatile market conditions. But analysts believe British Energy's fundamental weakness has been the most significant reason for the early failure of the float, setting it apart from all previous sell-offs including the 1987 sale of BP, which caught the full force of a stock market crash.

The City believes the nuclear company's outlook is highly uncertain because its profits and ability to fund dividends are crucially dependent on electricity prices and the performance of its eight stations.

The report says that the widening gap between workers — which has been particularly marked in the United States and in Britain — has not been matched by an increase in upward mobility for individuals.

But countries with wage floors and healthy benefit

British firms present the top takeover targets for predators

B RITISH companies are the most sought after takeover targets in Europe, according to KPMG. The accountancy firm says the value of British businesses acquired by overseas companies rose by 31 per cent to more than £12 billion in the first half of the year.

Business services companies were the most popular, followed by those in the oil and gas sector.

Richard Agutter, head of KPMG's corporate finance operation, said that this activity was taking place despite election uncertainty and the possibility that Britain might refuse to participate in any single European currency.

France attracted inward corporate investment of \$3.85 billion in the first half, 50 per cent down on the same period last year. Germany was the next most popular target, with inward investment of \$2.10 billion, 10 per cent less than in 1995.

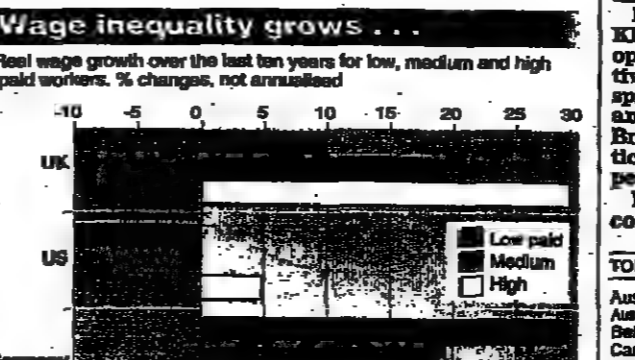
signed up for shares. Labour last night described the sale as a "shambles". Energy spokesman John Battle alleged the Government had withheld vital information about faulty reactors.

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Source: OECD, Employment Outlook

TOURIST RATES — BANK SELLS

Australia 1.2850	France 7.70	Italy 2.341	Singapore 2.15
Austria 0.870	Germany 2.28	Spain 1.670	South Africa 6.68
Belgium 46.90	Greece 382.00	Netherlands 2.6225	Sweden 152.00
Canada 2.08	Hong Kong 11.72	New Zealand 2.20	Switzerland 187.00
Cyprus 0.7020	India 55.12	Portugal 235.50	Turkey 124.070
Denmark 6.83	Ireland 0.8450	Saudi Arabia 5.79	USA 1.5100
Finland 7.08	Israel 4.93		

Supplied by NatWest Bank (excluding Indian rupee and Israeli shekel).

12 FINANCE AND ECONOMICS

Railtrack is begged for a lift to east coast line

Keith Harper Transport Editor

ESCALATORS and lifts on every big railway station between Newcastle and London King's Cross have been requested from Railtrack by the newly privatised Great North Eastern Railway to encourage more people to travel by train.

overcrowding if new rolling stock was not ordered for the line. In 1994-95, the line increased passenger carryings by 600,000 to 11 million, and Mr Sherwood forecast a further increase of 600,000 in the current year.

Mr Sherwood said that the company could reintroduce a motorail service to Scottish destinations, originally scrapped by British Rail because it was losing money. He hoped to start an experiment, "leaving London early in the morning to Inverness and returning late at night".

GNER is talking through the idea with Railtrack. Mr Sherwood said that the company was examining a service, similar to the one through the Channel tunnel. The Government yesterday announced a move which could bring an end to cut price ferries when Ian Lang, the trade and industry secretary, abandoned undertaking the nationalisation of cross-Channel ferry operations. The effect is likely to be felt soon as the companies search for new partners. Lord Sterling, the P&O chairman, said that even with strong market growth there needed more and longer trains, and feared serious



Hats off... Charles Brize (left), chairman and chief executive of Formal Group, yesterday celebrated the company's £12.5 million stock market flotation with Jeff Banks who designs for the group. It includes Youms formal wear, Pronuptia, Cupid and the Blakes chain, acquired as part of the flotation. Blakes directors Neville and Paul Kaye have joined the Formal board. Formal was created in January to acquire Langside Hire, the UK's largest formal menswear hire wholesaler

Hope for Knight Williams losers

Margaret Hughes Personal Finance Editor

COMPENSATION is finally in sight for the hundreds of elderly investors who claim they were given negligent financial advice by the now-defunct Knight Williams.

well said the ICS had decided to intervene as there was little prospect that Arthur Anderson, liquidators to both Knight Williams & Company Limited and Knight Williams Administration Limited, would be able to reach an early decision on compensation. This is partly because of the tangled structure of the Knight Williams empire, some subsidiaries of which are still trading, but more importantly the total number of claims is still unknown. Until recently the number of claims lodged was between 400 and 500, but in recent months it has risen to more than 900. Yesterday the ICS said it hoped to start paying compensation this autumn. The maximum compensation which can be paid by the ICS to each successful claimant is £48,000. In theory this could result in total compensation of £43.2 million, but in practice the total paid out is expected to be less than half this amount.

Firms snub Greenbury line on top salaries

Roger Cove

ON the first anniversary of the Greenbury report to boardroom pay, shareholder adviser Pirc has hit out at companies ignoring the committee's key recommendations on contracts and bonus schemes. The Greenbury report called on boards to end excesses that had resulted in huge payments to directors, especially from bonus schemes and compensation for loss of office. Directors leaving the top 250 companies over the past three years have received more than £56 million in compensation. Companies were required to reduce contract terms to one year, to modify bonus schemes so that they paid out only on above-average performance, and to make full disclosure of pay and pension costs. Analysis by Pirc shows that Greenbury has had little impact on the length of directors' contracts, which shortened after the earlier corporate governance report from the Cadbury Committee. Only 5 per cent of the top 350 companies now have contracts for three years or more, but most of that movement came before Greenbury reported. And only two in five companies have heeded the call to cut contracts to 12 months' duration. The majority now have two-year contracts for directors. Pirc director Anne Simpson said yesterday: "Companies think they can cock a snook at Greenbury. The danger is that the majority of companies are claiming to be the exception. We need to focus on best practice, not common practice." In a report out today, Pirc says companies are also ignoring key elements of the Greenbury recommendations on long-term incentive plans.

Press button D for dearer as cheap mobiles shift to digital

Nicholas Bannister Technology Editor

THE CHEAPEST and most popular mobile phone networks in Britain are to be phased out by 2005, as leading operators switch customers to more expensive digital networks. The science and technology minister, Ian Taylor, announced yesterday that the country's leading mobile phone operators - Cellnet and Vodafone - had agreed to close their original analogue networks within nine years. The move is part of the Government's plan for more efficient use of the radio spectrum. The companies are fast running out of capacity on their original analogue networks and need to persuade customers to move to their digital services, which make more efficient use of the available spectrum. A Cellnet spokesman said that it could accommodate four users of its digital network in the spectrum needed for just one analogue subscriber. Cellnet and Vodafone between them have more than 8.7 million analogue and about 1.2 million digital customers. Their rivals, Orange and Mercury One-2-One, have adequate capacity because their all-digital networks - based on the PCN variant of the GSM standard used by Cellnet and Vodafone - use a different, less crowded part of the spectrum. However, Mr Taylor announced yesterday that he was making additional radio spectrum available to Cellnet and Vodafone at the frequencies used by PCN networks so that they could develop new services. He is also reserving additional spectrum for Orange and Mercury One-2-One.

Postman's dead letter day

WORKFACE/ On the eve of third 24-hour strike, a Royal Mail employee in the North of England argues against 'team working'

THE 4.30 am alarm clock beeps. Get up, wash, put kettle on. I know what I have to do to get to the bus at 5.15. Strikers are to resume soon, which increases the pressure. But I'm looking forward to having a day off from my usual six-day week of around 30 hours flat-out with no meal break. Wednesday is often a heavy day with lots of mail - a challenge I view with mixed feelings. Twice the mail means twice the sorting and there are limits to how much more quickly any human hands, eyes and brain can sort. More mail each day also means delivering to more addresses and I walk further than my predecessors in about the same time. I don't know how quickly posties

travelled to their walks 15 years ago, but I catch the Royal Mail minibus or a public bus, usually having to wait for either. I could save 10-30 minutes if I had a vehicle. I won't finish on time today which means I'll be paid overtime, albeit at the standard rate, but my line manager will ask why and won't want to be told that there was "excess mail". He started as a postie and knows the score. Royal Mail expects continuous improvements in quality and accuracy - more work for as little money as possible. The time allowed for my walk was set 10-15 years ago and mail has grown by over a half since then. My walk includes some houses with rich targets for voluminous junk mail. 5.15am. Catch bus. Half

done on way to work. Other posties on the bus agree that the so-called "Empowerment Agenda" is a rip off. Everyone wants to see the full-time basic rise to the proposed £211 or better. The five-day week is at least 40 years overdue and still only a promise. Within a few years the service may be privatised or better delivery opened up to competition, with cowboys paying kids a pittance. Most of the milkmen I see at 5am have a couple of teenage assistants, occasionally younger schoolchildren. But so-called "team working" is a recipe for more intensive exploitation of a workforce already stretched to its limit. Our office's management has already selected their

"team leaders", a move calculated to divide the workforce to get even more than a quart into the pint pot. If each team is responsible for arranging the cover for sick and holiday leave we shan't be "empowered", we shall be driven into the ground and there will be friction over which postman/

general public. Our office doesn't look much like the one featured on the TV news during the dispute. Sign in, read fixed sheet deriding the union's strike call. Coffee gets cold while I sort as quickly and accurately as I can. A lot of the mail consists of "fats" - mostly A4-sized envelopes. Fifteen years ago, few people received many letters and foolscap was still being replaced by A4. An overcrowded, ancient building with inadequate ventilation is an unpleasant and unhealthy

place to work. Good humour is essential and morale remains high. When all my mail is sorted I have to place each street into the order in which I shall deliver it. I have three full pouches to deliver today. I then wait for the bus, leaving two pouches to be dropped off at safe locations by a van driver. 8.15am. On a warm summer day the walk is enjoyable if you don't dislike carrying something like a minimum of 15.5kg on your back at a speed of 4 mph for about three hours. Some will carry more than twice that, but back injuries are so common that I stick to the rules. 11.15am. Finish five hours' and 18 minutes' work at 100 per cent effort without a meal break. A friendly day with my suburban customers. Royal Mail admits that it has difficulty making the first delivery deadline of 9.30am for the last letter, but denies it intends making full-time postmen become part-time. Unless mail can be moved around the country quickly enough for an even earlier start to sorting, they must take on many more six-month contract part-time posties, presumably working without paid/unpaid meal breaks, working flexibly enough that one day they work three hours, and eight on the next with no warning. Does the public really want to take £300 million annual profit from such sweated labour which is under constant pressure to deliver more and more productivity? This represents a vital threat to the century-long mechanical solidarity of the Royal Mail's infantry and senior management are inept not to realise that they must trade five-day work for any further flexibility in working practices. And without the goodwill of the posties, this service cannot continue to be the best in the world into the 21st century.

Within a few years the service may be opened up to competition, with cowboys paying kids a pittance... so-called 'team working' is a recipe for more intensive exploitation of a workforce stretched to its limit

Happy landings for BAA airports

OUTLOOK/Official clearance is given for low fees, reports Keith Harper

HEATHROW and Gatwick's claims to be the cheapest airports in the world were underlined yesterday when the Monopolies and Mergers Commission offered their owner, BAA, a further regime of bargain landing fees for the next five years. Much to the relief of BAA, which has turned Heathrow and Gatwick into lucrative shopping malls and also owns London's third airport, Stansted, the MMC refused to be seduced by suggestions that control of the three airports be broken up to encourage competition. The Commons select committee on transport is the latest body to join in the argument, but the MMC found no "public interest" reason to question BAA's management of all three. In a report to the Civil Aviation Authority, which regulates how much BAA is permitted to charge airlines for landing, the MMC suggested that fees at Heathrow and Gatwick should be allowed to rise by a maximum of three percentage points less than the Retail Prices Index, while prices at Stansted could be raised by one point more than RPI. Demand is believed to be so strong that Heathrow's £4.64 charge per passenger would have to rise above 550 per person to force many users away. The new price cap will result in the charge per passenger at Heathrow reducing to £4.02 by 2000. But the CAA saw no reason to raise prices at the three London airports to control overcrowding, indicating that environmental issues were not its responsibility. The CAA agreed with the MMC's recommendation that 7.5 per cent was a reasonable long-run rate of return for the three airports. The MMC

made clear that the price formula for the next five years should anticipate the five years after that up to 2007, when BAA hopes to open Terminal 5 at Heathrow. The CAA noted the MMC's suggestion that charges should be smoothed over a 10-year period rather than treating five years in isolation. This suggests that there will be relatively high returns for the airports until 2002, but much less afterwards. Nevertheless, the BAA is doing very well from its retailing revenue, which was up by 10.5 per cent at £556 million at the end of March, accounting for 44 per cent of its total turnover and making airport shopping the company's biggest single earner. Passengers spent an average of £4.12 each in airport shops, and income from duty free shopping was £5.61 for every international departing passenger. BAA's comfortable position may not prevail if there is a change of government. Graham Allen, Labour's transport spokesman, said that a Labour government would not hesitate to act if BAA's objectives did not serve the national interest. BAA's chief executive, Sir John Egan, saw no reason for change. He said that the airports were involved in tough competition with other European hubs. "If duty free allowances were abandoned in 1999, the MMC would allow the airports to raise their charges to the airlines to recover an additional £55 million, the estimated net loss of profit from the withdrawal of the concession. This would amount to an increase in charges of 18 per cent over two years. These are good times for the BAA. It is fortunate that two out of its three London airports are lucrative, particularly Heathrow. So it cannot lose against an annual 5 per cent increase in passenger traffic. If Heathrow were set up as a separate company, it would probably be able to reduce its landing charges still further.

News in brief

CBI urges open mind on Europe Business leaders would prefer political party manifestos not to be too far from economic and monetary union in Europe during the Parliament after the next election, the Confederation of British Industry said yesterday. Adair Turner, CBI director-general, said options should be kept open. The CBI, which is split on the issue, would decide in the coming year whether to express a view about the UK joining in 1999. Mr Adair was speaking on the eve of publication of the City business manifesto, Proposing in the Global Economy, aimed at party policy-makers. New life in insurance Two of the UK's largest life insurance groups, Sun Life and Prudential, yesterday revealed sharp rises in new business for the first six months of the year. Sun Life said new life premiums had risen by 19 per cent to £144.4 million. Prudential said single contribution life and pensions products showed a 36 per cent rise in sales to £2.3 billion. Stores poised for boom Stores and multiples such as Marks & Spencer and Woolworths will be the main beneficiaries of rising consumer spending over the next couple of years, according to the retail research organisation Verdict. Department stores have lost out in recent years to dedicated chains. Drugs merger near The European Commission is today expected to clear a merger between Swiss pharmaceutical groups Ciba-Geigy and Sandoz. The Commission will also sanction ventures involving France Telecom, Deutsche Telekom and Sprint. Sandoz and Ciba-Geigy may be required to sell off interests in the crop protection sector to gain EU clearance for their deal. Aerospaces shares dive Shares in Hunting Group, the London-based aerospace and engineering business, crashed 34p to 144p after it warned shareholders to expect a substantial first-half loss following problems with its turboprop operations.

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Handwritten note: '4/11/96 150'

14 SPORTS NEWS

Rugby Union

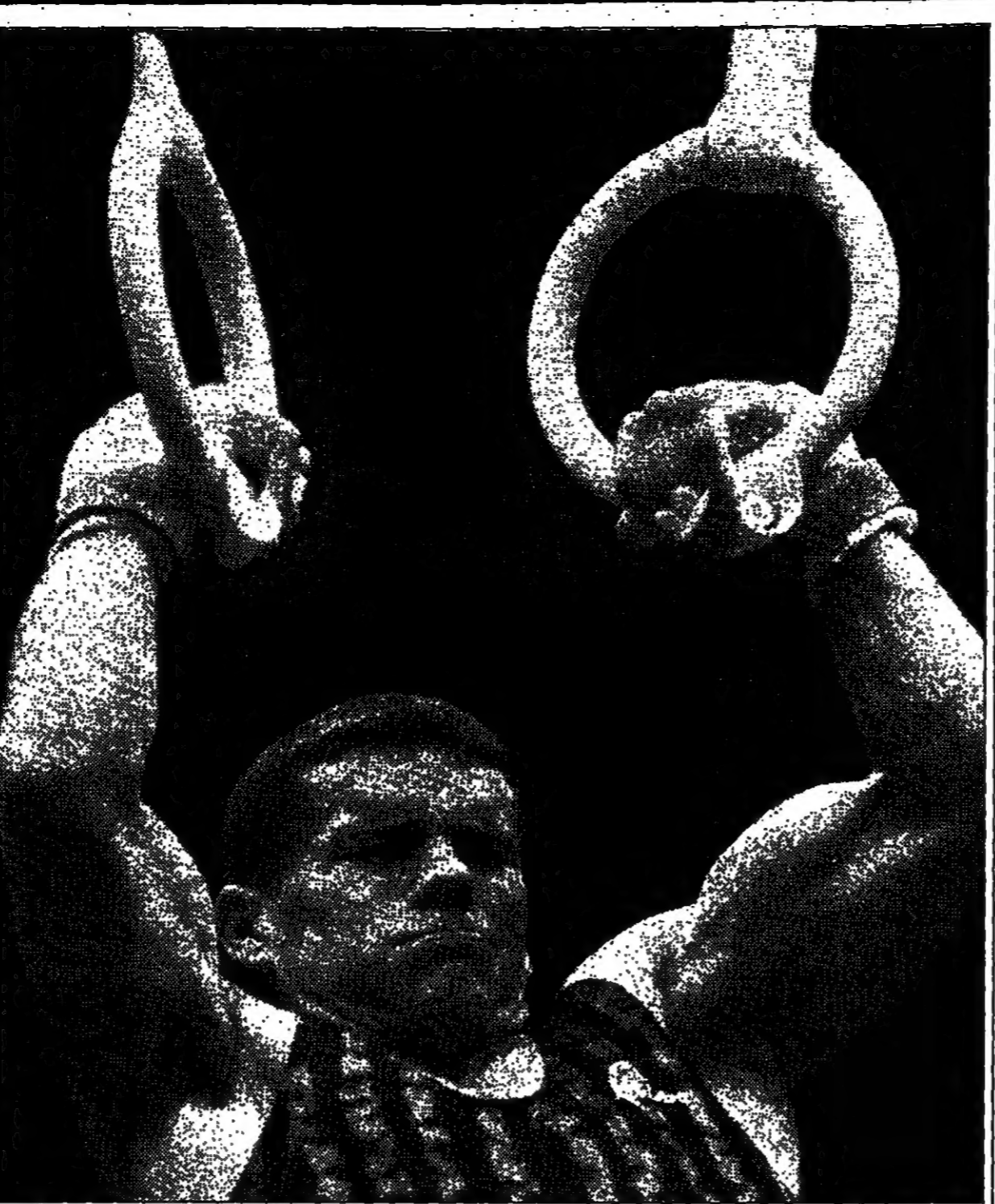
Rowell finds no room for Carling

Robert Armstrong

WILL CARLING has been omitted from the England squad for the first time since he made his international debut in 1988, sparking fresh speculation that the former England captain may have played his last game for his country.

Rowell insisted there was nothing significant in the omission of the 30-year-old Carling from the 30-man squad. He said: "Look at Linford Christie proving that, if you are mentally and physically right, age does not come into it."

OLYMPIC GAMES



Ring pull... Britain's Lee McDermott takes the strain as he warms up in Atlanta's Georgia Dome

British camp hits back at drug claims

Peter Nichols in Tallahassee and John Duncan in Atlanta

BRITISH athletics officials responded angrily in advance of allegations of drug-taking that were to be made last night in a BBC Panorama programme.

Michael Turner, a doctor, claimed that more than three out of four of all athletes who will compete in Atlanta have used performance-enhancing drugs in their preparations.

Richmond sign deal with Oracle

RICHMOND, the League Two club already bankrolled by the multi-millionaire Ashley Levett, received another financial boost yesterday by signing a £1.5 million sponsorship deal with Oracle.

Richmond's latest signing is the New Zealander Steve Cottrell, last season's Cambridge University captain. The solicitor will play as an amateur alongside the new professionals.

Tour de France

Bomb threat puts police on full alert

Adela Gooch in Madrid and William Fotheringham in Lourdes

SPAIN and France have ordered a top-security alert, deploying record numbers of police to protect the Tour de France as it passes through the Basque country today.

have been taken. Spectators can rest assured, said Santiago Lopez Valdivieso, the head of the Basque civil guard, which bears the brunt of counter-terrorism in Spain.

Graf out but Drechsler is still hoping

THE Germans are having problems with their knees. Steffi Graf has pulled out of her tennis team for the Olympic Games because of a knee injury.

Drechsler and her manager Michael Mronz appear to be at odds over her participation. Mronz says the Olympic champion is definitely out because of her injury.

Going for gold in the Mind Games

Peter Nichols, in Tallahassee, on how a team of psychologists is trying to teach British athletes the science of "killing dreams"

IN THE 1992 Olympic marathons, Emil Zatopek asked Jim Peters if they were going fast enough. He said: "I destroyed Peters. Charlie Spedding, who won Olympic bronze in the marathon, used to write his negative qualities on pieces of paper and throw those pieces of paper into the tyre."

Thomas works with the athletes team: all the women and three-quarters of the men have consulted her at one time or another. Don't ask for names; on the psychological landscape everyone treads carefully.

she already has an idea of what he might be like: "Michael Johnson - I've never seen him emotional in any way. He never wastes an ounce of energy on that. He's self-believer but I don't feel he was quite as strong. Michael Johnson is perfect."

Success, or positive experiences, can be built on, though often to the extent that they become a habit. "I don't think he's been truly appreciated," said Terry. "When you reach that level we are talking about the immense motivation that athletes get from pride. People say that Redgrave doesn't know how to lose."

Christie continues to confuse

FATHOMING the mind of an Olympic champion is always a tricky business. Linford Christie has made it almost impossible.

Christie has continued to bewilder here. At the airport the man who has spurned journalists often enough was smiling and polite.

Smith forges ahead on the Knight shift

WARWICKSHIRE moved within four points of the top of the Sunday League after defeating the B&H Cup winners Lancashire by 13 runs at Edgbaston yesterday.

A fine 76 from Neil Smith, who shared an opening stand of 66 with the fit again Nick Knight (32), laid the foundations of their total of 213 for six.

Cricket

Curran, who hit an undefeated 92, and Richard Montgomery (69) were always behind the clock despite a half-century seventh-wicket stand between Ian Austin and Warren Hegg.

Northamptonshire, the B&H Cup runners-up, also lost - off the last ball to Yorkshire. With the scores level the visitors Richard Blakey swung Paul Taylor to the midwicket boundary to clinch the match.

Results

Table with columns for Tennis, Cycling, Sailing, Soccer, Rugby League, and Baseball, listing various sports events and their results.

Cricket

Table with columns for National League, AXA Equity & Law League, and Minor Counties, listing cricket matches and scores.

Cricket

Table with columns for Lancashire, Warwickshire, and Minor Counties, listing cricket matches and scores.

Cricket

Table with columns for Somerset, Gloucestershire, and Minor Counties, listing cricket matches and scores.

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GOLF: THE OPEN CHAMPIONSHIP

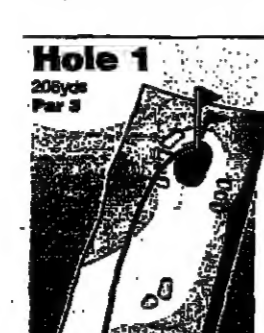
Four strokes that shaped Lytham lore

BOBBY JONES, the only amateur to have won the Open...

dragged his tee shot into sand. A ridge and bushes meant he could not see the green...



David J Russell set up his best Open finish from the 1st tee



Hole 1 200yds Par 3



Peter McEvoy hit a nine to the 11th and fell away



Hole 11 542yds Par 5



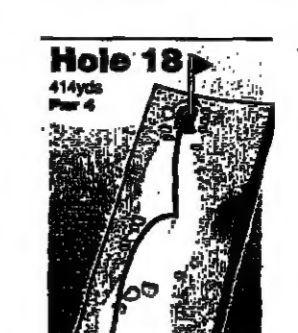
Bobby Jones won the 1926 Open from a 17th wasteland



Hole 17 467yds Par 4



Tony Jacklin's drive at the 18th ushered in a new era



Hole 18 414yds Par 4

When David J Russell got to Royal Lytham St Annes on the Saturday morning to play in the third round of the 1988 Open, he was dreading the day's proceedings...

flag, bounced a couple of times, struck the pin and stopped inches away, absolutely dead. "No one," says Russell, "was ever more relieved..."

The shot failed by only a foot. Had it succeeded, Peter McEvoy could conceivably have achieved what is nowadays regarded as an impossibility: winning the Open Championship as an amateur...

They were less demonstrative days in 1926; either that or the Guardian's man-on-the-spot was not actually on the spot at the time. Whatever the reason, the paper's description of one of the most famous golf shots raises the pulse about as much as an invitation to a church fete...

It is difficult now to remember what it was like back in 1968, when no Briton had won the Open for 18 years. But the atmosphere on the final day, as Tony Jacklin made his way to the 18th tee, was nakedly jingoistic: Jacko had to win and be damned any New Zealander - Bob Charles was challenging - who might get in the way...

Ward-Thomas summed up the rest. "He dismissed the peril in masterful fashion with a flawless long drive... hit a beautifully controlled seven-iron August to Ireland and fourth for the first time in the day, as if to herald the dawn of a shining new world for British golf..."

Jacklin was presented with the trophy and then a bottle of champagne. As he held it up, a man stepped forward and turned the label to the massed photographers. Mark McCormack was making sure it was a shining new business world as well.

When the championship well he was playing, for he reached for the driver. A couple of practice efforts and he swung at the ball; moments later those near the clubhouse gasped in relief and then triumph. The ball cleared all the hazards, ran rapidly down the fairway and came to rest some 150 yards from the green.

Faldo's bunker mentality gets him back in swing

David Davies at Royal Lytham

THIS week Nick Faldo returns happily to the place which, 21 years ago, was as near as damnit the start of his career...

list that even Mark McCormack would envy. They have been working together again pre-championship. After missing the cut in the Western Open in the United States, Faldo flew over to Britain and took himself off to Royal St George's...

something like 14 under to win. Of course if it blows from the north-west, as it should because that is the prevailing wind, then scores will soar.



Ice age... Bernhard Langer of Germany cools off yesterday during practice for the Open

Doctor in charge happy to be left speechless

Mike Selvey at Lytham finds club captain Steven Reid practising for the social round

THESE will be something essentially quaint about the presentation to the Open champion on Sunday evening. No grand march up a staircase, no waving balcony scenes, no Queen, no Duchess of Kent...

worth the risk in any case. Becoming captain in an Open year is hitting the jackpot. "I was supposed to be chief marshal this year, and spent six months, including time at St Andrews last year, bedding into the job. Then they rang me on Christmas Eve to tell me the past captain had voted me in and it all went out of the window..."

starts it becomes a social round. "I've got to host lunches on Thursday, Friday and Sunday for VIPs, dignitaries, past captains, donors from local clubs, friends and relations. Saturday there are other things to do. He will not say what but it looks like Prince Andrew's annual Open bash. If the Prince wants to talk golf he has come to the right man, for Reid is as close to a golf nut as is possible. His father, a general practitioner, came to England during the early years of the war and although Reid was brought up in Lytham, and is now in general practice himself in the town, the family returned every August to Ireland and the County Sligo course, known as Rosses Point, where he is a life member.

SportsGuardian

Bjarne Riis ruins the Spaniard's birthday to retain the Tour de France yellow jersey after a punishing climb in blistering heat

Broken Indurain admits defeat

William Fotheringham in Lourdes

MIGUEL Indurain was 32 yesterday, but it was not a birthday he will want to remember. The first part of the celebrations were the same as they have been since 1991: a vast birthday cake presented to the five-times Tour winner in the start village amid a vast scrum of press and fans.

peloton hits the one-in-12 slopes at some 30 miles per hour, then slows and shatters like a wave breaking on a rock. Then it is every man to his own painful rhythm uphill for eight leg-shattering miles. There is no respite.

Indurain has been both victor and vanquished here. In 1994, his incredible acceleration through thick mist effectively won him the Tour and destroyed Tony Rominger. This year, in baking sun, the Swiss was again allotted a bit part. When he slipped off the back of the small lead group which formed after the first grinding impact with the gradient, it was Indurain who upped the pace.

For a few seconds, history repeated itself. Indurain accelerated and Rominger grovelled. Then, as his team-mate Jean Ullrich maintained the pace, Riis glided back down the group. It looked like weakness, but he was merely stinging up the opposition. "I wanted to see how they all were, and they all seemed to be flat out. I said: 'It's now or never, you must win the Tour now.'"



Uphill struggle... Miguel Indurain grits his teeth as Bjarne Riis sets a punishing pace

PHOTOGRAPH: ENO GALLARD

1990s, when Bernard Hinault and Laurent Fignon could afford the luxury of toying with the opposition in this way. Intriguingly, Riis was Fignon's chief domestique at the end of the Frenchman's career, and he thanked the Fignon publically for the advice he has received.

While Riis forged ahead, Indurain almost came to a painful halt as the effort he had made in trying to stay with the Dane made itself felt. The pedals hardly turned, the

ground bowed over the handlebars, the grimace became desperate. Just to rub it in, Rominger found his second wind and passed on the right, without a look in his old rival's direction.

In the next four painful, slow-motion miles, Indurain lost almost 2 1/2 minutes — and had he not come round towards the end, and Riis felt the strain of his all-out effort, it would have been far more. As he entered the final kilometre through a forest of red, white and green Basque flags, he threw an apologetic look at the fans who had come across the border to cheer him on.

"I tried to follow Riis three times, the fourth time I blew up, and after that I couldn't follow anyone," he said. "The gap between us is now unbridgeable. It was a day which I don't want to think about next year."

Indurain was not the only loser. Evgeny Berzin feared

this climb for its intensity, and with good reason: He slipped from third to seventh. Rominger may have climbed to third, but both he and team-mate Abraham Olano, who remains second overall, are almost three minutes behind Riis. The turnaround in Indurain's status was summed up when Riis commented that he would be happy if Big Mig could win today's stage "because it goes to his house. But it won't be easy."

With their champion in a lowly 10th place, the Navarrese fans may be a little mured as the Tour passes through his homeland today, at the end of a stage which the riders who are fighting for survival fear far more than yesterday's.

Today's stage: Lourdes to Pamplona, 162 miles.

William Fotheringham is features editor of Cycling Weekly. Boredom page 14

Money talks in the state of disunion



Vincent Hanna

OLD FART Radio has been blaring all week. The word from Twickers is they'll talk to the other countries, compromise is possible, and it's not just about money you know. They are decent chaps at the RFU — and I don't believe a word they say.

The Scots say they'll play a four-nations tournament without England on contract with the BBC, and it's not just about money, laddie. You couldn't meet a nicer bunch of blokes — and they're talking out of their sprockets.

Will Carling says, if England can't play in the Five Nations, rugby will be destroyed, and it's not just about money. Pull the other one, Will.

ESkyB says that it wishes to help rugby union, save the Five Nations Championship, and it's not just about money. Bollocks.

I feel I've been watching turkeys queue up for a Bernard Matthews Christmas Break. The only good thing is that some have spotted that the RFU booked the holiday.

"Sport is a metaphor for life," said George Miller, a US congressman. "People play basketball like they legislate."

You can give that a slightly different spin. Sports administrators tend to reflect the political character of their own nations.

British sport is run by a rum crew. A combination of left-over blazers from better days, rich traders craving the significance that owning a club gives them, placemen on quangoes, and some men and women who struggle to connect their sports to reality.

And the reality is money. If you doubt this, take a peek at the diamond-studded world of the International Olympic Committee. In Atlanta the world's most distinguished free-loaders will parade like heads of state.

Actually I was glad to see that Jean-Claude Killy joined the IOC in 1995. But the thrill was brief: he is director of Coca-Cola France, to which, along with NBC, the Olympic movement has sold its soul.

Corruption and graft are endemic, as Andrew Jennings explains in his excellent new book. In 1991 the IOC met in

Birmingham to fix the venue for the 1998 Winter Olympics. Ostersund of Sweden went home empty-handed. But as one of its officials said: "We give each IOC member a gift on our personal visits, a gift when they visit our city, a gift when they visit our hospitality suite, and a gift every day in the hotel."

Television pays the money and calls the shots. NBC, which paid £700 million for the next two Games, is contracted to pay £1.5 billion for the summer Games of 2004 and 2008 and the winter Games of 2006, for which host cities have not yet been chosen. It will revamp the Games to suit itself.

Bear that in mind and let's get back to rugby.

Sky offered £166 million over five years to the Home Nations, with England to get £27.5 million, Wales £40 million, Scotland £20 million, and Ireland £18 million (mind you, this is great money for the 75 or so Irish rugby players).

The other four countries say the money belongs to them all in principle (whatever that means), and if necessary they'll play on without England. The idea is daft. They would get a pitance for the TV rights, with or without a player-led alternative English team.

If the fight were for the integrity of rugby I could applaud their stand. But they are fighting over money and, as Robert Armstrong argued yesterday, money makes the rules.

If there is no compromise recognising that rugby cannot exist on gate money, Rupert Murdoch will simply revamp the game and play an annual mini-World Cup with England, the southern hemisphere countries, and (in the crunch) I suspect with France too.

BUT Rupert has longer-term plans for the game, which he keeps to himself but about which I am prepared to speculate.

He will bring rugby union closer to his other big investment in rugby league. This would produce a super league involving both union and league clubs in a new hybrid game; and an annual international competition played summer and winter at two levels, a "premier" tournament for eight national sides and a "Nationwide League" for the rest.

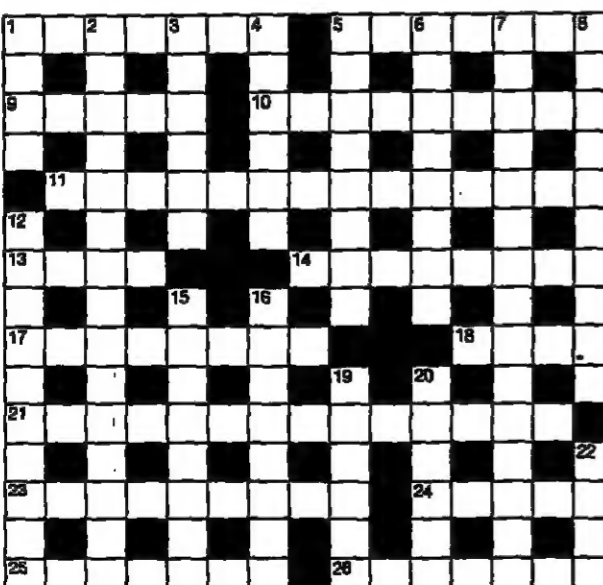
I bet you think this is all fantasy. And you could be right.

And the spirit of Baron de Coubertin might reign at Atlanta.

* The New Lords of the Rings. Andrew Jennings, Pocket Books \$5.99

Guardian Crossword No 20,707

Set by Araucaria



13 Stuck? Then call our solutions line on 0891 336 333. Calls cost 50p per min, cheap rate, 40p per min at all other times. Service supplied by RTS



CROSSWORD SOLUTION 20,706

- 23 Tinea, unpleasant complaint in restaurant (6,3)
- 24, 25 Bit of a fight with the siren — rough passage on old-time radio (5,3,4)
- 26 I go in neuter, which is different from the train (7)

Down

- 1, 12 One's own valuation for the DIY? (4-10)
- 2 A question of survival from the single chamber? (7,8)
- 3 In the course of being translated you go to the opera (6)
- 4 Change my dog's name when it turns up inside (9)
- 5 An ironic form of address, in the light of day (8)
- 6 A note on race relationship (8)
- 7 Cox at me? (6,3,6)
- 8 21's poet's 12 of quame? (10)

- 12 See 1 down
- 15 River with colour, a striking display, getting into zinc? (5,5)
- 16 Dress in feathers to induce final consent? (4,4)
- 19 Literary character sounds more correct (5)
- 20 Rusting bodywork? Incentive needed (6)
- 22 Publicity for the listener's cutter (4)

Solution tomorrow

Across

- 1 Bondage to the internet, say? (7)
- 5 Name for house that is encircled by wild waves (3,4)
- 9 One without prospects (see part of 1 across) (5)
- 10 Row spoilt racing: it's for 23 on the move (6-3)
- 11 Almost give a sick note to setter when embraced by Achilles' mother: that

- shows what the world's coming to (4,2,3,5)
- 13 Little to pay for music (4)
- 14 Copier first to last needing company? Not a lot (3,2,3)
- 17 Umberto allies himself, we hear, with enemies of the planet (8)
- 18 Way out and unknown it may be, but euthanasia's starting, starting (4)
- 21 Single in the field inspires Israel to prayer (6,6)

British swimmers suffer long delay

David Hopps and John Duncan in Atlanta

BITAIN'S swimmers suffered the full brunt of Olympic disorder in a fraught and exhausting journey here from their training camp in Tallahassee. A four-hour flight delay after a nail was discovered in one of the plane's tyres was followed by four hours of misery in a chaotic accreditation procedure at the airport.

In addition Sarah Hardcastle, a medalist in Los Angeles 12 years ago, had

some of her luggage go astray as Olympic organisers seemed unprepared for the sudden influx of competitors and officials.

"The important thing is not to get stressed out," she said. "If you fail to handle the frustrations of a day like this it can ruin months of preparation. Your chances of winning an Olympic medal can be lost before you've cleared the airport."

"The younger swimmers are probably less likely to suffer because the experience is so novel and exciting for them. But older hands like me have to keep

themselves in control. I just have to sit here with Terry Denison, my swimming coach and try to imagine I'm lazing around with my husband down at the job centre."

Atlanta's experimental policy of giving competitors no fast-track accreditation left the swimmers bemused. Some sat on the floor playing cards, others lay on hand luggage and tried to doze.

Earlier in Tallahassee, as a new tyre was being flown in from Atlanta, they had whiled away the time in the shade as temperatures in

Florida reached 105F. The 40-minute flight then took nearly 1 1/2 hours because of landing delays at the States' second-busiest airport.

Considering the frustration, Atlanta's relative cool — it was in the high 70s — was some comfort. As the swimmers left by coach for the Olympic village, one roadside exhortation seemed to sum up their day.

"Smile. The journey of a thousand miles begins with a full tank of gas." Already many people are wondering how many miles they can do to the gallon.

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inside